

PERIODICAL DEPARTMENT

THE NATIONAL

# Wool Grower

PROPERTY OF

FEBRUARY, 1940

NUMBER 2

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*F. F. HILL*

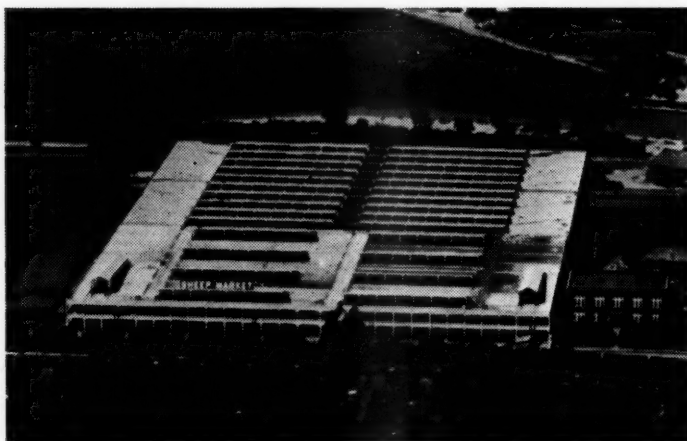
THE 1940 WOOL MARKET

*DEAN J. A. HILL*

75TH NATIONAL CONVENTION

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# The National Wool Grower

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F. R. Marshall, Editor

Irene Young, Assistant Editor

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SUBSCRIPTION RATES—Payment of dues in the National Wool Growers Association includes a year's subscription to the National Wool Grower. Dues and subscriptions are received along with state association dues by the secretaries shown for the following states, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Texas, Washington and Wyoming. To non-members in the United States and Canada \$1.50 per year; foreign, \$2.00 per year.

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# Editorial Comment

## On Sheep and Wool Affairs

### Convention Business

**T**HIRTEEN state organizations of wool growers participated in drawing up the 1940 Platform and Program of the National Wool Growers Association at Casper, January 23, 24 and 25. All of the statements presented to the convention appear in this issue of the Wool Grower in the form in which they finally were adopted.

It will be seen that very little new national legislation is proposed or requested. Repeal or amendment of some existing laws is suggested. In other connections with the federal government, in which the laws convey broad powers to appointed officials, changes of policy and law interpretation are asked for.

It is a forward-looking and well-considered program. It proposes nothing that is unfair or injurious to any other class or industry. Every wool grower should go over this program and write to his Congressmen and Senators upon the topics he considers to be of most importance.

While discussing the work of the National Association, the basic and essential service of the state associations must not be overlooked. In their respective states these organizations are rendering great service to the industry, to members and non-members. In the single matter of working for fair assessment of sheep and lambs, the state associations secure benefits each year equal to many times the dues they collect.

A special committee on the Association's budget reported in favor of expenditure in 1940 of \$33,000, an increase of \$10,000 over the 1939 expenditures. This report, which was approved by the Executive Committee, divides the total amount to be raised among the 13 affiliated state associations in proportion to the number of sheep owned. Payments made under this plan have for several years been the sole source of the revenue of the National Association.

The quota allotments to the states will be reported when the figures on sheep population for January 1, 1940, are published by the Department of Agriculture, late in February.

### Wool Prices

**T**HE convention address by Dean J. A. Hill, printed in this issue, merits reading and studying by every wool grower. Since the address was delivered, there has been some weakening in Boston quotations, though it must be remembered that actual stocks of domestic wools are very light. In South Africa and South America, prices have advanced.

The real situation regarding the volume of orders taken for fall weight goods is not known. This is a large factor in the Boston situation at this time of year.

Imports from South Africa have effected what had earlier been expected to develop into a squeeze on fine wools. It is reported unofficially that 40 million pounds of fine wool have been purchased in South Africa for shipment to the United States since last September.

The Boston slowness is attributed to weakness in wool top futures. Speculators who rushed to buy futures last fall in anticipation of a war boom have withdrawn from the market. If this is the real cause of the change in the spot wool market, it is a reversal of the claim that values of futures reflect the actual conditions of supply and demand.

Nothing has happened in connection with supply or demand to lower wool values. The British government has released an additional 50,000 bales of Australian fine wool for sale to the United States, and on the same price basis as the original 75,000 bales were taken up.

As Dean Hill said, the price situation is mainly in the hands of the growers. Such is always the case in the spring months. But this year the growers' position is further fortified by the strong position of the British government and the higher prices and limited supplies in South Africa.

### Trade Agreements

**T**HE Ways and Means Committee of the House of Representatives conducted hearings for three weeks upon the Doughton resolution which provides that the Reciprocal Trade Agreements Act of 1934 shall be continued for three years after June 12, 1940, the date on which it will expire unless there is favorable Congressional action in the meantime.

On February 7, by a vote of 14 to 10, the committee recommended that the House pass the resolution. Both sides of the question were ably presented and argued in the hearings by spokesmen for agricultural and other national organizations. The committee, which is made up of 15 Democrats and 10 Republicans, divided on party lines. It seems probable that the party lines will hold when the resolution comes up on the floor of the House.

In the Senate the debate is expected to be more strenuous, and probably the voting will follow party lines less closely. It has been predicted that the measure will pass the Senate, but with an amendment to require ratification, by that body, of all future agreements. It is uncertain whether final passage of such an amendment would require a two-thirds vote for ratification to make an agreement effective. Unless the question finally is decided that way, it can be considered that any trade agreement submitted will come into effect. And even under requirements of a

favorable vote of 64 Senators, many trade agreements might be ratified.

Voting on tariff rates designed to affect a single country, even with world-wide application of the rates under the favored-nation arrangement, means that probably only one major commodity, or at least a very few commodities, would be under consideration by the Senate at one time. The amount of the duties, and future protection, would then be settled without regard for rates on other commodities.

Favorable votes for truly protective rates could be expected only from Senators of states producing the particular commodity or from consistent protectionists who would support the general application of reasonable duties, even if some were unpopular with consumers at home. There are not very many of such consistent protectionists in either party. There might, and probably would be cases in which thirty-three votes could not be mustered to reject an agreement carrying injurious reductions of rates on a commodity that is of major importance in perhaps only seven or eight states.

The Wool Grower still maintains that the only just and democratic method of determining fair protective duties on American products is by presentation and voting at one time upon a bill that contains a complete set of rates. It is said that that is too big an undertaking for a Congress.

Could Congress be better employed than in preparing, with all the aid and advice possible, a fair expression of a policy of protecting and developing employment and security in American agriculture and industry?

## Farm Credits

**A**PPPOINTMENT of Dr. A. G. Black, whom the President named to succeed ousted F. F. Hill, as governor of the Farm Credit Administration, was confirmed by the Senate. Dr. Black is now legally in control of the F.C.A. and is responsible to the Secretary of Agriculture. Under the present law, Secretary Wallace and Governor Black have broad powers which they may use to coordinate agricultural financing with control of production and other policies now being followed in the effort to rehabilitate agriculture.

While a few changes have been made in the F.C.A. personnel, it is not expected that extensive changes in the staff, or in policies of administration of credits, will be made very soon. Such changes are likely to be made by degrees, and may be partly dependent upon the outcome of the election and the amounts appropriated by the Congress for support of the agricultural department program, which now costs over 700 million dollars per year.

## The Forest Service Status

Information reaching the Wool Grower on February 14 indicated that there may have been an understanding between some of the Senators and the President that the question of transferring the Forest Service to the Department of the Interior would be definitely abandoned.

**I**T WAS expected that President Roosevelt would send his third reorganization plan to Congress early in January, but such has not been done.

Under the reorganization law of 1939, such plans, after submission to Congress, become effective unless rejected within 60 days by both House and Senate.

In view of what the President said in submitting his No. 2 Plan on May 9, last, it has been expected that the third plan will propose some changes in the status of the Forest Service.

During the week of January 22, a group of agricultural organizations, headed by the American Farm Bureau Federation, and including the National Wool Growers Association, endeavored to arrange an interview with the Pres-

ident to express their desire to have the administration of national forests continued in the Department of Agriculture. It was unofficially said at that time that the new reorganization plan had already been drafted. It was expected that it would be sent to Congress during the last week of January. There were rumors of all kinds as to what the plan contained. Many expected that the Forest Service as a whole would be moved from the Department of Agriculture to the Department of the Interior. Others claimed that only recreational activities of the Forest Service would be moved. And there the matter still rests on February 6.

Late newspaper gossip suggests that submission of the new plan has been delayed as a result of protests from agricultural, livestock, and sportsmen's organizations, and a great many chambers of commerce. Receipt of the expressions of the convention of the National Wool Growers Association, which was sent to the President by telegram, was acknowledged on February 2 by the White House administrative assistant.

Delay in the appointment of a suc-

cessor to the late Chief Forester F. A. Silcox is taken in some quarters to indicate that it is intended to permit Secretary Ickes to fill that place after he takes jurisdiction. This is but a guess.

In all probability, the next reorganization plan will deal with many other bureaus besides the Forest Service. Under the law, both branches of Congress must reject any plan as a whole to prevent its becoming effective. It must be expected that any further reorganization proposals which the President may offer will contain some desirable changes. This would reduce the probability of adverse action by Congress, even if a majority wished to have administration of national forests retained in the Department of Agriculture.

Just now, it seems that objections to the transfer are having some effect. Also, the opposition is growing. The President has not made any public expression of his present views on the question. The delay seems to be favorable to the position of the opponents of the transfer.

# 1940 Platform and Program

Adopted by the 75th Annual Convention of the National  
Wool Growers Association

## REPORT OF COMMITTEE ON GENERAL RESOLUTIONS

### 1. Our Organization

The oldest of all national agricultural organizations has for seventy-five years, through prosperity and adversity, sailed safely on to render service to producers through the sea of time.

We salute our National Wool Growers Association at its Diamond Jubilee and pay homage to those leaders who have passed to their reward, as well as to those at its helm now charged with the continuation of a safe voyage in the future.

It has been conservative, yet progressive; outspoken, yet kind; protective, yet mindful of others; determined, yet right. May it continue without consideration of time, supported by all those interested in wool growing, with the unselfish devotion and moral and financial aid of every producer.

### 2. Trade Treaties

During the past year we have observed the detrimental effect on the wool-growing industry by reason of the trade agreements negotiated with Great Britain and Canada, and the proposed trade agreement with Argentina. They have deprived the citizens and taxpayers of this country of their own markets to the advantage of Great Britain, and the anticipated trade agreement with Argentina has adversely affected the demand for the coarser wools and mohair.

We again place ourselves on record as opposing the Reciprocal Trade Agreements Act and demand that it be permitted to lapse on June 12, 1940; that the terms of the Constitution of the United States be complied with wherein all acts pertaining to revenue originate in the House of Representatives, and that all treaties be approved by the Senate of the United States before becoming effective.

### 3. Diseased Imports

We insist that all imports be subject to the same sanitary inspection and regulation as are imposed upon the products of this country. Specifically, we demand that no livestock or meat from said livestock be permitted to enter the United States if foot-and-mouth disease or any other contagious disease exists in the country of origin.

### 4. National Theft Act

We reaffirm our belief in the workability of, and the need for, the McCarran Theft Bill, and ask that this bill be re-introduced in the next session of Congress.

### 5. Sheep Scabies

The eradication of sheep scabies has been demonstrated through the western states. The U. S. Bureau of Animal Industry regulations have required the complete eradication of this parasite of sheep. Many western states, in cooperation with the Bureau of Animal Industry, have for a number of years patrolled and inspected to see that sheep scabies is wiped out.

We deplore the fact that several states in the Middle West have failed to eradicate sheep scabies. We urge that the U. S. Bureau of Animal Industry make a thorough investigation of the number of cases of sheep scabies existing in the U.S.A., that names and addresses of owners of sheep having scabies be widely publicized and that our National Wool Growers Association write the state sanitary divisions of states having sheep scabies and ask that sheep scabies be cleaned up.

### 6. Freight Rates

The five per cent increase as obtained by the carriers more than a year ago has served its purpose. This emergency has now passed and the carriers for 1939 show a most substantial increase in freight and passenger traffic, with resulting profits.

We, therefore, hold that this five per cent emergency increase should be removed. We request our National Wool Growers Association officials to endeavor to have the five per cent emergency increase revoked.

### 7. Feeder and Stocker Rates

We strongly disapprove of the attempt of the carriers to increase feeder and stocker livestock rates and urge that stockmen and their associations continue to contest the attempt of the carriers to increase these rates.

### 8. Rewriting Interstate Commerce Act

There has been introduced into the Congress of the United States a general transportation bill known as Senate Bill 2009. The bill has passed the Senate and an entirely different bill carrying the same number has passed the House. These two bills are now in the Conference Committee.

We cannot endorse either of these bills, but livestock should have a hearing before any bill resulting from this conference is passed, and we make the following definite suggestions for enactment in a general transportation bill:

We favor the elimination of inhibitions in Section 15 (4) of Part I against the Interstate Commerce Commission's establishing through routes.

We do not favor the regulation of water carriers under the provisions of either the Senate or House bill.



We favor Sections 321 and 322 of the House bill requiring the government to pay full rates.

We do favor the clause, "inherent advantage of each medium of transportation based on the cost of each group," and ask that it be retained under the section defining rate-making purposes.

If a proper rewriting of the Act can not be obtained, we definitely ask defeat of the present bills or any new bills not giving protection to shippers.

### 9. Shipper's Transportation

The length of freight trains which now convey livestock to market, the need of livestock cars being attached to the head end of trains, and the rapid service with which freight trains now proceed between feeding stations, obviously suggest the impracticability of the prevailing system of transportation for the livestock owner accompanying his shipment to market.

We, therefore, request that the officials of this Association continue to use their efforts to bring about an improved method of transportation by insisting that the shipper be given free passenger train transportation to and from feed lots, and to market preceding his shipment.

### 10. Train Limit

We oppose any legislation suggesting the regulation of private enterprise to such an extent as the limitation of the number of cars which may constitute a railroad train.

### 11. Wool Rate Study

It is the sense of this Association that there should be a realignment and readjustment of the rail rates on wool. We, therefore, request the Secretary of Agriculture to conduct a study of the wool rate structure throughout the United States (as provided for in the Agricultural Adjustment Act of 1938, Section 201, paragraphs a, b, c, and d) with a view to determining what action might be taken toward instituting a general investigation before the Interstate Commerce Commission.

### 12. Labor Act

We urge the Congress of the United States to adopt appropriate amendments to the National Labor Relations Act and Fair Labor Standards Act, clarifying and defining the term "agricultural labor," as the same is used in said acts, specifically to include and clarify all services performed in connection with livestock, embracing the raising, shearing, feeding, caring for, and management of sheep and goats.

### 13. Wage and Hour Law

Lambs must be marketed seasonally throughout the year due to natural conditions beyond the control of the producer. The Congress of the United States has recognized this situation, in passing the Wage and Hour Act, by exempting slaughterers from paying "time and one half" for overtime during fourteen weeks of the year, in order to protect the livestock and meat industry from increased costs resulting from these seasonal conditions.

The Wage and Hour Administrator in his Interpretative Bulletin 14 has modified the intent of the law so that it ap-

plies to the packing plant as a whole and not to the individual worker or class of livestock—in addition limiting exemptions after the meats and by-products have passed beyond the actual killing floor.

We deplore the interpretation by the Wage and Hour Administrator which will further widen the margin between producer and consumer, urge that the Administrator revise his interpretations in accordance with the intent of Congress, and ask that Congress further clarify the law so as to remove any possible doubt concerning the exemptions required by the livestock and meat industry. The officers of this Association are authorized to take any steps necessary to accomplish this purpose.

### 14. Control of Business

There has been introduced into the Congress of the United States the Logan-Walter Bill, which would require quasi-judicial governmental agencies to remain within the jurisdiction of fixed rules and be subject to the courts for appeal from the rulings and decisions of various bureaus in Washington.

We favor the enactment of legislation such as is contemplated under the Logan-Walter Bill.

### 15. Processing or Special Taxation

We are opposed to the levying of special federal taxes on livestock or livestock products for the purpose of carrying out a soil conservation program, regardless of whether such taxes are known as processing taxes or taxes collected under the new income certificate plan.

### 16. Special Taxes

We again oppose either state or federal laws that will limit the outlet of our products through unfair taxation. No outlet of the commodities of this industry should be abridged or curtailed through unwise legislation.

### 17. Finance and Credit

We desire to see the present limit on individual loans by the federal land banks removed and ask Congress to change this policy.

We request that the Farm Credit Administration develop within its organization a sound loan policy whereby livestock and livestock units consisting of land, permits on the national forests and licenses on the public domain will be recognized as collateral security through one loaning agency.

### 18. Farm Credit

The Farm Credit Administration has, for the past six years, served agriculture well and has been largely responsible for adequate credit at the lowest rate of interest ever enjoyed by the livestock industry. We question if it can continue the present efficiency and sound lending policies unless its independent status is restored.

We urge Congress to take such action as is necessary to establish this agency on an independent basis, void of the influence of any other bureau or department of government.



## 19. Federal Debt

We are unqualifiedly opposed to any increase in the constitutional limit of indebtedness of the United States by the Congress.

## 20. Un-American Activities

Congressman Martin Dies of Texas is chairman of a committee investigating un-American activities of certain organizations and individuals seeking to destroy our American form of government. In spite of Mr. Dies' patriotic work, many officials in high places are seeking to discredit him.

This Association fully approves the purpose for which the Dies Committee was created and hopes that the work will be continued until every un-American alien has been driven from our borders.

## 21. Wool Research

We express our hearty approval of the work of the Wool Department of the University of Wyoming and other agricultural colleges in developing methods of determining shrinkage in wool clips, and urge continuation of this activity.

## 22. Memorial

The National Wool Growers Association regrets the passing on December 20, 1939, of Mr. F. A. Silcox, Chief of the Forest Service, a man who served in his position with courage, fairness, and an understanding of the problems of the West. We will feel the loss of a friend and a man of such high character and ability.

Our Secretary is instructed to send copies of this memorial to his wife and relatives left to mourn his passing.

## 23. Association Officers

We are extremely grateful to the officers of the National Wool Growers Association for the efficient manner in which they have guided the affairs of our institution.

Mr. Roscoe C. Rich is now retiring after four years of fine service as president of our organization. Few have given more of their own time and efforts on our behalf than Mr. Rich. The entire membership joins in extending our thanks and appreciation.

Mr. F. R. Marshall has now completed twenty years of service as secretary of the National Wool Growers Association. Much of the success in our many efforts during these years is due to the continuous and tireless efforts of our Secretary. On the occasion of our seventy-fifth year, it is fitting that we commend our Secretary for this record of faithful service and accomplishment, and our membership extends their sincere thanks and appreciation to "Fred" Marshall.

## 24. To a Faithful Friend

At this our Seventy-Fifth Annual Convention the absence, through illness, of our most distinguished and beloved friend, Dr. S. W. McClure, has occasioned the most widespread regret.

We recognize the inestimable value of his services to the wool-growing industry of the entire nation during the past thirty-five years. We instruct our Secretary to convey to Dr. McClure this expression of our appreciation of his unselfish, talented and untiring efforts on our behalf. To him we send this testimonial of the high regard and affection of our entire membership in convention assembled.

## 25. To Our Hosts

To the Casper Chamber of Commerce, the Casper Times and Casper Tribune-Herald, Robert Grieve and members of his entertainment committee, Mrs. Thomas Cooper and members of the ladies' committee, to our speakers, to John Reed, Byron Wilson, and hotels, we are deeply indebted for the success of this convention and the many kindnesses bestowed during our visit in Casper.

We thank them sincerely with full appreciation.

|                                 |                              |
|---------------------------------|------------------------------|
| Merle L. Drake, Idaho, Chairman | Gordon Griswold, Nevada      |
| W. P. Wing, California          | Mac Hoke, Oregon             |
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| H. C. Gardiner, Montana         | T. J. Drumheller, Washington |
| Percy Cooper, Wyoming           |                              |

## REPORT OF COMMITTEE ON LAMB MARKETING AND PROMOTION

### 26. Buying Practices

Although we recognize that there have been some improvements in packer buying practices during the past year, we want to express our opposition to many practices prevalent in the packing industry. Therefore, we recommend that the United States Department of Agriculture continue the prosecution of the case known as Docket 909a.

We also recommend that all lamb producers, through their sales agents, demand that lambs be purchased on a quality and dressing percentage basis and that the practice of "one price alley buying" be discontinued.

### 27. Unfair Competition

Due to the operation of the Farm Crop Control Program, large subsidized acreages are being diverted from cultivated crops to livestock production, which is creating unfair competition for the western livestock producer. We suggest that the Secretary of Agriculture exercise the right and authority vested in him by the Agricultural Adjustment Act of 1938 to preclude from livestock use such acreages as are receiving benefit payments under the Farm Crop Control Program.

### 28. Institutional Purchases of Lamb

We recommend that our National Association and all state associations continue their efforts to induce state and national institutions and relief agencies to purchase and distribute lamb and mutton.

### 29. Lamb Promotion

Due to the very small average per capita consumption of lamb in the United States, about seven pounds, as com-

pared with other countries such as Australia with an average consumption of about 85 pounds, we feel that the possibilities for expanding our market are unlimited. Therefore, we feel that an energetic promotional campaign should be instituted. It is our opinion that the recent lamb consumption surveys conducted in Kansas City have developed many facts which will be of great assistance in developing a long-time promotional campaign. We recommend that these facts be used as a basis, and that a long-term campaign be inaugurated, and that an item of \$10,000 be set up in the 1940 budget to finance such a program. We also suggest that the Colorado-Nebraska Lamb Feeders Association be urged to join with us in developing this promotional work.

For two years past, this Association has adopted the following recommendation:

That a fund be made available to the National Live Stock and Meat Board for the purpose of stimulating the consumption of lamb; this fund to be collected at the rate of 75 cents per car deducted at all central markets, and a similar payment at the rate of 75 cents per car be made by sellers of lambs at country points, 25 cents to go into the general fund of the Meat Board and the other 50 cents to go into a special fund and held by the Meat Board for use in lamb promotion work.

This collection has been in effect at the Denver stock yards since December 1, 1938. We wish to commend the commission firms at Denver for their active cooperation. However, we have met with no success at other markets. The Omaha Live Stock Exchange has twice refused to make this collection for us. The matter is now before the Kansas City Exchange. From statements made to the committee by members of the Kansas City Exchange we were led to believe that they would cooperate with us, but to date we have no word of their acceptance.

In view of the importance of this work, we recommend that renewed efforts be made to get all markets to cooperate in the collection of this fund. We suggest that all state associations take the matter up with the livestock exchanges at the various markets and actively advocate the collection of this fund.

|                                  |                          |
|----------------------------------|--------------------------|
| G. N. Winder, Colorado, Chairman | Harold Cohn, Oregon      |
| W. Hugh Baber, California        | H. C. Noelke, Texas      |
| Robert Naylor, Idaho             | Dell Adams, Utah         |
| W. W. Whitaker, Nevada           | A. E. Lawson, Washington |
| Reynold Seaverson, Wyoming       |                          |

## REPORT OF COMMITTEE ON WOOL MARKETING

### 30. Fabric Labeling

The National Wool Growers Association strongly endorses a wool product labeling act that will definitely inform the consuming public of the content of fabrics, particularly where virgin wool is used. We favor legislation similar to the Schwartz and/or Martin bills introduced in Congress during 1939.

### 31. Wool Loans

It is the desire of this Association to thank the Commodity Credit Corporation for loans made in 1938 and

1939. We urge that similar loans be extended upon the 1940 wool clip. We further request that the Secretary of the National Wool Growers Association be instructed to join with other interested organizations in making application to the Secretary of Agriculture for such loans.

### 32. Wool Promotion

The National Wool Growers Association would strongly endorse a workable plan for wool promotion. We recommend close cooperation with the International Wool Secretariat. As a means of raising funds for this purpose, we offer two plans for further study to the officers and executive committee of this Association:

Plan 1. That two cents per bag be collected by the manufacturers or sellers of all wool bags sold in the United States; the proceeds to be remitted to the National Wool Growers Association for use in wool promotion; and that immediate steps be taken to contact said manufacturers with this end in view.

Plan 2. That the officers of the National Wool Growers Association contact all purchasers of wool, wool cooperatives, brokers, manufacturers and other marketing agencies, and ask that they include in their contracts a provision for the deduction of three cents per bag on fleece and Texas wools and five cents per bag on all other wools; the proceeds to be turned over to the National Wool Growers Association to be used in promoting wool consumption.

### 33. Regulatory Legislation

The National Wool Growers Association wishes to thank the Senate Committee which has been investigating wool marketing. We strongly urge that their labors be carried to an early conclusion. We are refraining from any expression of remedial legislation until the findings of the investigating committee have been published and studied.

A joint committee representing the Boston Wool Trade Association and the National Wool Growers Association has prepared a new wool consignment contract. Your wool marketing committee refers this contract to the officers and executive committee of our National Association for further study and legal advice, but without specific recommendation. We further urge and invite the wool trade to send an official committee to meet with a similar group from our Association at each national convention.

### 34. Wool Imports

We respectfully request the Tariff Commission to effect an adjustment of tariff duties balancing the foreign exchange factor to the extent that the producers of wool may secure the protection which Congress intended under a normal rate of exchange.

### 35. Government Contracts

The officers of our Association are instructed to urge that our Army Department, our Navy Department, and all

government agencies be petitioned to specify the use of domestic wool in the filling of government contracts.

|                                    |                          |
|------------------------------------|--------------------------|
| Sylvan J. Pauly, Montana, Chairman | John Foster, Montana     |
| Mrs. H. C. Compton, California     | Gordon Griswold, Nevada  |
| James Richardson, Washington       | Floyd W. Lee, New Mexico |
| J. H. Lemmon, South Dakota         | W. E. Williams, Oregon   |
| L. W. Clough, Colorado             | E. S. Mayer, Texas       |
| H. B. Soulen, Idaho                | J. A. Hooper, Utah       |
| J. B. Wilson, Wyoming              |                          |

## REPORT OF COMMITTEE ON PUBLIC DOMAIN GRAZING

### 36. *Compensation of States for Loss of Revenue*

The purchase by the federal government of taxable property in the western states, and the withdrawal from revenue-producing purposes of large areas of federal lands for the establishment of national parks, Indian reservations, national monuments, etc., have become a serious menace to the economic stability of the West through reduction of both the tax base and the acreage of revenue-producing lands. We strongly urge, therefore, that the federal government fully compensate the respective states for the loss of revenue so occasioned.

### 37. *Stabilization of Livestock*

Stabilization of livestock operations upon the federal range as provided for under the Taylor Act requires assurance of continued established use of such federal ranges. Since stabilization of the livestock industry is vital to the permanent social and economic welfare of all residents in the range country, we strongly urge that the Grazing Service proceed to the early issuance of ten-year term permits and the making of permanent range improvements that will definitely accomplish the purposes of the Taylor Act and effect stabilization of our industry.

We are opposed to any further extension of national parks or national monuments, or land purchased for that purpose, without legislative consent of the state affected.

### 38. *Withdrawal of Lands*

We regard with concern the withdrawal of forest and grazing lands, either public or private, for creation of new national parks or monuments, for enlargement of existing parks and monuments, and for purposes other than grazing.

Since livestock raising is one of the basic industries in the western states, and such withdrawals are endangering our economic structure, we oppose further transfer of such lands without the approval of legislative bodies of the state in which said lands are located.

### 39. *Emergency Grazing Districts*

During the past year Grazing District Number 7, in the State of New Mexico, was established as an emergency act. Under special rules—apparently contemplating issuance of permits on a subsistence basis—such district was established

without notice to, or consultation with the advisory board of the existing district which already comprised a part of the areas of the new district. Such action is contrary, both to the letter and the spirit of the Taylor Act, involving disregard of the advisory board or its recommendations, and the setting up of a special provision not contemplated by the Taylor Act.

This Association aided in the securing of the passage of the Taylor Act, and has at all times cooperated in the enforcement of the Act, on the lands administered, but we feel that the precedent established in New Mexico may later affect adversely the areas of other states in which the livestock industry is vitally concerned.

We, therefore, protest the establishment of said district in New Mexico, and request its investigation by a Congressional Committee, because a definite conflict in establishing said district with the basic provisions of the Taylor Act is involved. Our knowledge of conditions are such that we believe the action was taken at the instigation of the Indian Service and of the Soil Conservation Service and these two bureaus are given representation on a committee, set up by the special regulations, which is to review the action of the regular advisory board. No facts existed which justified the finding of an emergency, such having not existed for many years. Any rights of Indians in the area could have been protected under the general regulations, and would have been given fair consideration by the advisory board.

|                             |                          |
|-----------------------------|--------------------------|
| D. H. Adams, Utah, Chairman | Merle L. Drake, Idaho    |
| Harry Hetzler, California   | Gordon Griswold, Nevada  |
| Louis Visintainer, Colorado | Floyd W. Lee, New Mexico |
| John Reed, Wyoming          |                          |

## REPORT OF COMMITTEE ON FOREST GRAZING

### 40. *National Parks*

There has developed as a policy on the part of our federal government a disposition to withdraw forest areas from use, and to place these areas in national parks. The transfer of these public forest lands to the jurisdiction of the National Park Service will result in locking up vast resources. This would deprive the states affected of their rightful use of, and income from, such resources within their boundaries, and much of the industry of our western states is vitally dependent upon the coordinated use of these areas, such as grazing by domestic livestock.

During the past 35 years these areas have largely been administered by the United States Forest Service in the Department of Agriculture, which service has become proficient and capable and has developed a trained personnel. As now administered, all activities such as selective logging, mining, grazing, water-shed protection, hunting and fishing and recreation, wildlife propagation and protection, find their fullest development and use, and in such manner as to perpetuate such resources and uses to future generations. No true conservation in these areas can be practiced by the National Park Service that is not already in full effect under the United States Forest Service.



The National Wool Growers Association is unalterably opposed to the creation of any more national parks anywhere within the western states without the approval of the legislatures of the states affected.

#### 41. Cuts

This Association is opposed to the policy of cuts being made in the transfer of forest permits.

#### 42. Consolidation

This Association stands firmly opposed to all efforts to consolidate the United States Forest Service or any of its functions with the Grazing Service, either under the supervision of the Department of Agriculture or the Department of the Interior.

#### 43. Advisory Boards

We consider that the Forest Service is subject to criticism for failure in the past to encourage the formation of advisory boards and more fully to consult such boards in advance of permit cuts and other matters in the management of forest grazing lands.

In order to improve cooperation with forest advisory boards and to insure proper representation on local, state, and national forest advisory boards, we recommend that all such advisory boards be organized as follows:

1. Local boards be elected as at present provided by the grazing regulations.
2. That state advisory boards be organized in each state by the election of a permittee from each forest.
3. That a national advisory board be organized by the election of one representative from each state advisory board.
4. That this committee start functioning immediately and that the president of each state association be requested to appoint a man to function until these elected representatives are selected.

#### 44. Wildlife

In view of the lack of legislation to properly control the distribution of game animals on private and public lands and to protect them from serious disease and starvation, and in order to prevent overgrazing of the range and serious menace to private property, we instruct our National Association to thoroughly explore the situation, and to secure in every way possible the cooperation of all interested organizations to effect the adjustment of numbers of game animals to the forage capacity of the land for all the seasons of each year.

We urge that the problem of wildlife be dove-tailed with the entire problem of coordinated land use management, with proper balance among the multiple uses of our forest and public lands: wildlife, grazing, recreation, forestry, mining and the general industrial developments of our western communities.

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|-------------------------------|------------------------------|
| A. J. Peavey, Jr., Acting for | Floyd W. Lee, New Mexico     |
| D. Sid Smith, Chairman        | H. A. Cohn, Oregon           |
| S. P. Arbios, California      | Moroni Smith, Utah           |
| J. S. Hoffman, Colorado       | T. J. Drumheller, Washington |
| Guy Stambaugh, Montana        | J. B. Wilson, Wyoming        |

## REPORT OF COMMITTEE ON PREDATORY ANIMALS

### 45. Standing Committee

We recommend the continuation by the National Wool Growers Association of the National Predatory Animal Committee, composed of a representative of each state, and that each state maintain a committee upon which the national delegate from that state should serve.

### 46. Control Program

We recommend that a Predatory Animal Control Program be studied by the National Association committee and outlined by them in accordance with the wishes of the growers, employing all methods of eradication, which include:

1. The cooperative service of the Biological Survey.
2. Private trapping.
3. The bounty system.
4. A poison campaign.
5. Airplane hunting and any other method adaptable to particular localities.

### 47. Minimum Bounty

We recommend that the western range states adopt a minimum bounty of \$2.00 on coyote pups and other predators, to be effective at least through the denning season; that this pup campaign be supplemental to the regular program and that a special effort be made to eradicate female predators.

### 48. Federal Appropriation

We recommend that this Association go on record as favoring an annual federal appropriation of not less than \$1,000,000 for predatory animal control.

We urge that federal agencies within the Departments of Agriculture and Interior appropriate funds for predatory animal control in the areas which they administer.

### 49. Control on Government Lands

We instruct our Association to secure legislation amending the basic act setting up the United States Forest Service to provide that a portion of the receipts from national forests shall be used for predator control on national forests.

### 50. Cooperation

We recommend that livestock men in their respective states cultivate the cooperation of gun clubs, fish and game associations and all other organizations interested in the control of predatory animals for the preservation of wildlife and the sport of hunting. This can be done most effectively by livestock men joining such organizations and offering special inducements for activities in predatory animal control. Particular attention of livestock men should be directed toward legislation affecting all wildlife.

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|----------------------------------|------------------------------|
| M. E. Noonon, Colorado, Chairman | J. H. Clements, New Mexico   |
| Frank C. Clarke, California      | W. A. Holt, Oregon           |
| W. C. Osborn, Colorado           | Marsh Lea, Texas             |
| A. H. Caine, Idaho               | Dell Adams, Utah             |
| Paul Etchepare, Montana          | J. W. Richardson, Washington |
| Gordon Griswold, Nevada          | Kleber H. Hadsell, Wyoming   |



## Senator John Thomas Again

LATE in January the Governor of Idaho appointed former Senator John Thomas to fill the Senate vacancy caused by the death of Senator W. E. Borah.



Senator John Thomas

This will be heartening news to all western agricultural workers and particularly to those engaged in livestock production. It is to be recalled that when the Smoot-Hawley tariff bill was before the Congress in 1930, it was largely due to the efforts of Senator Thomas that liberal agricultural rates were obtained in that law. So far as the stockman and farmer are concerned, that was the fairest and best tariff law ever written. Senator Thomas possesses a wide knowledge of agricultural affairs and it was this knowledge and his keen political sagacity that made the passage of these rates possible. It is these rates on farm products that Secretary Hull is so blunderingly attacking. Hull has reduced many of the Thomas rates fully 50 per cent, which has brought him the acclaim of Mexicans, South Americans and other foreign producers. The campaign of deception and misrepresentation carried on by the "foreignesque" employees of

the State Department has, for the moment, discredited the efforts of many honest citizens to keep at least a part of "America for Americans."

The return of John Thomas to the Senate should thrill the heart of every western farmer and stockman, for it gives him a friend in Washington who believes the American farmer is entitled to the American market. Idaho will keep him there.

S. W. McClure

## Colorado Lamb Boosters

TWENTY floats and five bands were features of Denver's Lamb Parade on January 16. The parade opened a campaign planned to effect a wider appreciation and use of lamb meat. The important place of Colorado both in rearing and fattening top quality lambs was featured in the parade floats and will be carried through the campaign that is being conducted by all Colorado lamb interests with the help of many other industries and organizations.

Denver citizens now consume an average of 10 pounds of lamb per year, which is above the national average, but considerably below the figure for eastern and western coast cities. The packers and retailers are prominent in this campaign, and Denver and other Colorado cities will be lamb conscious.

The State Department of Agricultural Extension took the lead in correlating the efforts of the Colorado-Nebraska Lamb Feeders Association, the Colorado Wool Growers and Mofat County Associations, the Chamber of Commerce, packers, insurance and theater interests, meat retailers, the stockyards company and the Denver commission men.

The notable parade was but the curtain raiser. The campaign for larger lamb sales is being continued with store literature and posters, radio talks, school and consumer demonstrations, and newspaper advertisements.

The parade was held during the week of the National Western Stock Show, and was witnessed by a large number of visitors from other states.

At the show the veteran winner of

championships on carloads of lambs, Frank H. Means of Saguache, Colorado, again captured the main prize on a car of 94-pound lambs which were sold to Swift and Company at \$15.

## An Economist Speaks

JUST the other day I picked up my paper and there on the front page was a story from Washington telling how Isadore Lubin, an economist of one of the New Deal bureaus, had just appeared before the Congressional committee investigating reciprocal trade agreements, and explained in detail just how the importation of Argentine beef benefited the cowman, and the importation of huge quantities of pork increased the price of hogs in this country. According to Isadore, these imports have greatly benefited the farmers. The last time we heard of Mr. Lubin, he was photographed with pointer in hand explaining to a group of Senators just how the trusts and corporations had ruined the country. Mr. Lubin explained in minute detail how that situation could be corrected.

After having the benefit of Isadore's wisdom, Congress should now call Mordecai Ezekiel, the versatile economist of the Department of Agriculture. It was Ezekiel who explained just how processing taxes and quotas would affect the price of hogs in this country. By logarithms he could, with a few figures, tell exactly what would be the price of hogs in the year 2067. Shortly after he testified, a Senator said to me: "If that fellow Ezekiel was sure of one per cent of what he knows, you could afford to pay him a million dollars per minute for his advice."

Later events proved that Mr. Ezekiel's advice was not worth that much. Hogs continued to go down just as though Mr. Ezekiel had never figured, or his processing taxes had never been levied. No doubt Ezekiel still has the same pencil with which he figured processing taxes; if so he could give some valuable testimony for Mr. Hull's treaties.

S. W. McClure

# 75th National Convention

Casper, Wyoming  
January 23-25, 1940

WITH the setting up of a \$40,000 budget by its Executive Committee for the year 1940, the National Wool Growers Association starts the last 25-year lap to its century mark with an expansion of activities. On account of a very rigid policy of balancing its efforts with the contents of its treasury, the work of the sheepmen's organization in the past, with few exceptions, has been limited almost entirely to defensive or protective lines. It is now proposed that the National Association shall step forward in a conservative but continuous program of lamb and wool promotion.

This, the most significant action taken at the 75th annual convention in Casper, Wyoming, January 23 to 25, 1940, so far as directly concerns the Association itself, was based on the work of a special budget committee appointed by President Rich at the Executive Committee meeting the evening of January 22, following a dinner at the Hotel Henning at which members of the committee were guests of the Wyoming Wool Growers Association and the people of Casper. The committee was made up of Mac Hoke of Oregon, chairman, E. S. Mayer of Texas, G. N. Winder of Colorado, W. P. Wing of California, A. E. Lawson of Washington, Gordon Griswold of Nevada and H. B. Soulen of Idaho. Their report received the approval of the entire Executive Committee when presented at its session at the adjournment of the convention.

An expenditure of \$10,000 for the inauguration of the lamb promotion program in 1940 was recommended by the lamb marketing committee and approved by the Association members. To be started in Kansas City where the lamb-eating habits of consumers were studied last summer, the campaign will be extended to other cities and areas of low consumption as funds permit and will be aimed at increasing the number of people eating lamb rather than the

quantity of lamb consumed by present users.

No definite program for wool promotion was considered by the committees or the convention, but close cooperation was suggested with the International Wool Secretariat, the organization set up and financed by wool growers of Australia, New Zealand and South Africa for building up a greater use of wool. Officials of the Secretariat, which spent \$50,000 in the United States last year, conferred with leaders of wool growers' associations in this country during the fall in regard to the participation of American producers in an advertising program in the United States. To provide funds for the wool campaign, it is proposed that wool dealers deduct three cents per bag on fleece and Texas wools and five cents per bag on all other wools and remit the amounts collected to the National Wool Growers Association. Another plan suggested by the wool marketing committee was the collection of two cents a bag on all wool bags sold by manufacturers or dealers, this fund also to be handled by the National Association.

## Argument on A.A.A. Range Program

The only difference of opinion on proposed Association work for 1940 came to light with the presentation of the report of the committee on general resolutions, which included a proposal that the Association "endorse the efforts being made by the agricultural range program to assist operators in the conservation of private range lands and urge cooperation of range operators in the program," while, in another resolution, reiterating strong opposition to "the levying of special federal taxes on livestock or livestock products for the purpose of carrying out a soil conservation program."

Thomas Cooper, former president of the Wyoming Wool Growers Association, struck the match to the conflagration by suggesting that sheepmen should be consistent; that if they were going to ask for the continuation of the range improvement program under the Agricultural Adjustment Act, no objection should be made to taxation to support it.

James Laidlaw, prominent Suffolk and Panama sheep breeder of Idaho, took the floor in support of Mr. Cooper's contention, declaring his strong opposition to "our taking a dole." And any way you figure it, the soil conservation payment is a dole," he said.

Then, to the defense of the government's range conservation program rose Mac Hoke, new leader of the Oregon Association and an orator of no mean ability. His arguments were that 51 per cent of the range men of the western states are taking advantage of the program; that it is constructive and that there is a real necessity for it.

Mr. Cooper's reply on the latter point was that an abundance of rain is the only real factor involved in range conservation and the present program of building reservoirs only means that the winter ranges will be used in the summer.

That there was no unanimity of opinion on the point even in Wyoming became apparent when Vice President LeRoy Moore of the state organization declared himself in favor of a continuation of the program. The debate was closed and the issue brought to a head by a motion that the resolution pertaining to the range conservation program be stricken from the report of the general resolutions committee. A vote by states was called for and the motion carried, with California, Colorado, Idaho, Nevada, New Mexico, South Dakota, Utah and Wyoming casting 134 votes in the affirmative and Montana, Oregon, Texas and Washington, 115 negative votes.

All other phases of the 1940 platform for the National Association were adopted practically as presented by

various committee chairmen; the full text of all reports is printed elsewhere in this issue.

### New Officers

The 75th convention marked the close of a four-year leadership of the Association by R. C. Rich of Idaho, who gave notice a year ago that he would not be a candidate for reelection and held to that decision. C. B. Wardlaw, president of the Texas Sheep and Goat Raisers Association during 1939 and a vice president of the National Association since 1937, was the unanimous choice of the convention for president.

While the names of Texas sheepmen appear in the records of the National Association as early as 1881, Mr. Wardlaw has the distinction of being the first man from that large wool-growing area to become its president. He assumes his position with a practical knowledge of the sheep industry as well as a sound understanding and appreciation of organization work.

Recognition of Mr. Rich's fine service to the industry was made tangible through the appointment of a committee to arrange for the purchase and presentation of a suitably engraved watch.

Sylvan J. Pauly of Montana and T. J. Drumheller of Washington were continued as vice presidents and G. N. Winder of Colorado was selected as the third vice president. As president of the Colorado Wool Growers Association and the official representative of his state on the Executive Committee, Mr. Winder has shown himself to be a sound organization man and a strong advocate of lamb and wool promotion, which makes his appointment particularly fitting at this time.

F. R. Marshall chalked up his twentieth year as secretary-treasurer of the sheepmen's national organization and the appreciation of the officers and members of his record and work was expressed by Vice President Pauly in presenting him with a set of luggage, the gift of state association officials. Mr. Marshall also received the complete endorsement of the Executive Committee in his reappointment as secretary-treasurer.

### New State Association Members

Representation of the National Association was enlarged by the Executive Committee's acceptance of the Nevada Wool Growers Association and the Western South Dakota Sheep Growers Association as affiliated members of the organization. The Nevada Association, with headquarters in Reno, was represented at the convention by its president, Gordon Griswold, and H. J. Dev-

ereaux, executive committeeman, and Carl Scheidegger, secretary, were the leaders of quite a large delegation from South Dakota.

### Attendance

In spite of the wintry blast that hit the range country at convention time and the resulting, uncomfortably low temperatures, 650 sheepmen and their wives and representatives of allied in-

## Statement to the Members



C. B. Wardlaw

*In reluctantly agreeing to accept the presidency of this Association, I did so with full knowledge of my limitations and possible inability to measure up to the high records of service made by my predecessors in office, and especially by Roscoe Rich, whose outstanding administration has set a standard of efficiency and ability. I recognize that the National Wool Growers Association is one of the outstanding organizations of the nation, and its successful administration directly touches and, in some degree, controls the stability of prices for the great sheep and wool industry of the nation.*

*I pledge to the Association and its constituent members whatever ability I may possess in an earnest effort to carry on the high traditions of this office. As an individual I can do nothing, but as president of this splendid body, with the whole-hearted and enthusiastic cooperation of the membership and each individual thereof, I believe that a great deal can and will be done during the coming year.*

*At the convention just closed, we passed a number of important resolutions, all of which have my approval. As resolutions however, they are only words carried in the minutes of the Association. To make the principles of these resolutions live and become a force for good to the Association, they must have the support of our entire membership. I urge each member to read them, and then write his Senators and Congressmen, acquainting them with the resolutions and advocating their adoption, where it is a matter of national legislation. If it affects legislation in the wool-growing states, then take it up with your State Senator and Representative. With this kind of help, our Association can accomplish a great deal.*

*I keenly feel the honor conferred on me as the first Texan ever to be elected president of this great Association. I shall endeavor to live up to your expectations and to that end I earnestly solicit the united and active support of the entire membership.*

Respectfully,

C. B. (Dutch) Wardlaw



dustries registered at the Henning, Townsend and Gladstone hotels for the annual meeting. With the exception of Arizona, every state association affiliated with the National was represented. There were 374 from Wyoming, 51 from Colorado, 43 from Utah, 23 from Idaho, 17 from South Dakota, 13 from Montana, 10 each from Texas and Oregon, 9 from Washington, 7 each from California and New Mexico and one from Nevada.

### Wyoming Hospitality

Providing for the comfort and entertainment of this large group was in the hands of a general committee headed by Robert Grieve and a ladies' committee under the direction of Mrs. Thomas Cooper, both of Casper. That their work was excellent was conceded by everyone in attendance at the convention. The Dutch lunch, the banquet, the dancing, the many and very beautiful affairs for the women, the showing of the famous Belden moving picture of western range life; the sparkling electric ram's head in the lobby of the Henning Hotel bidding the sheepmen welcome to the celebration of their Diamond Jubilee; the carding and spinning demonstration by Mrs. Bertha Hans Glad of Elk Mountain, Wyoming, that drew and held fascinated the convention guests during the three days, and the exceptional wool exhibit of the University of Wyoming, all added up to show that the hospitality of Wyoming, particularly of the state wool growers' association and the people of Casper, is a very distinctive and generous variety.

### Spokane in 1941

Members of the National Wool Growers Association are fortunate indeed in the cordial reception always given them by the convention cities. and the friendly but very spirited competition between Ogden, Denver, San Francisco and Spokane for the 1941 meeting ran the pulse of the Casper meeting up to an exciting point. The girls' band from the Ogden Standard Examiner won the approval of everyone, but because the invitation from Spokane had been repeated for the third consecutive time, that city was selected as the site for the 76th convention.

### The Program

A wide range of subject matter was covered in a very efficient and interesting manner in the six regular convention sessions. In this issue the full text of the following addresses is given: President Rich's annual address; the 1940 Wool Market by Dean J. A. Hill of the University of Wyoming; the National Farm Credit Policy by F. F. Hill, former governor of the Farm Credit Administration, and the Work of the Women's Auxiliary by Mrs. Robert Naylor of Emmett, Idaho. In March, W. L. Dutton's talk on the administration of national forest grazing and Dr. H. L. Shantz's treatment of the big-game policy on the national forests, which brought forth one of the most interesting discussions of the convention, will appear in March.

Following the invocation by Rev. Thomas F. O'Reilly, pastor of St. Anthony's Catholic Church, Mayor J. Frank Cowan of Casper welcomed the wool growers and in later convention sessions, Governor Nels H. Smith, ex-Governor B. B. Brooks and President J. Elmer Brock of the American National Live Stock Association, made brief but very interesting talks to the wool growers. The Association's response to Wyoming's welcome was made by James A. Hooper of Utah who turned his talk into a forceful plea for the protection of home markets for American producers.

### Reciprocal Trade Treaties

"Are we to yield our vast home markets," he said, "through reciprocal trade treaties to foreign peoples who do not contribute a cent to our roads, schools and cost of government? It is time to realize that we cannot police the world nor deny the American market to home producers. We must stand foursquare for the repeal of the Reciprocal Trade Agreements Act and insist upon a return to constitutional government wherein all pacts with foreign countries must be ratified by the United States Senate."

The reciprocal trade agreement policy was also criticized by Thomas Cooper in his very fine extemporaneous address on the 75 years of the National

Wool Growers Association, a subject scheduled to be covered by Dr. S. W. McClure, who was prevented by illness from attending the convention. Mr. Cooper said:

The German U-boats may be taking the place of the tariff now in halting shipping on the high seas, but the day will come when America must depend more than ever before on protective tariffs. When the war is over, foreign nations will be glutted with huge surpluses accumulated during the interruption of shipping and will be anxious to dump them on the American market.

Mr. Cooper also maintained that the only real conservationists in the United States are the stockmen. "We take the sheep to the barren badlands and the high mountains, producing real wealth, new wealth, which flows into the channels of commerce and sustains the business life of all these communities in the Rocky Mountain region," he declared.

Departing from his usual custom of making only a very brief statement to the convention, Secretary Marshall put in a strong defense for the old-fashioned way of making tariffs, through the regular Congressional channels as the "only right way, the only fair way and the only democratic way to write tariff duties to be collected by the United States."

He also outlined for the convention the lamb promotion work contemplated as an Association undertaking this year. The sheepmen's organization, he pointed out, was standing at the crossroads at its 75th anniversary and it was for the members to decide whether it should continue to serve the industry mainly along legislative and purely defensive lines or enlarge its field of activity to secure more adequate returns for lamb and wool production by broadening the outlets for those commodities.

The cudgel for stronger organization among the wool growers was taken up by Thomas Wolfe of Robbers Roost, Medicine Bow, Wyoming. He berated the lack of support of the work of the associations by the majority of sheepmen and their willingness to let a few carry the financial burden of that work. The creation of county units in the western states and the building up of memberships in the Middle West were suggested by Mr. Wolfe as ways of se-



curing more adequate support for association undertakings.

Mac Hoke's plea for a proper balance between labor, agriculture and industry was a very sincere and impassioned one. Comparing the national economy to a three-legged stool, which had been tipsy for some years past because the agricultural leg was shorter than those for industry and labor, he maintained that the only way a proper balance could be secured was for all groups to let down the bars and produce goods and services to the limit.

He declared the war and the revolution in agriculture had helped to throw the national economy out of balance. While farmers went on producing to the limit of their acreage, despite lower prices, labor and industry controlled their production. The farmer is willing to continue his maximum production but is fed up with labor and industry limiting their output, Mr. Hoke said.

"Labor and industry held up prices to within 25 per cent of wartime levels," Mr. Hoke stated. "Meanwhile the farmer's dollar was worth only 65 cents, while he had to pay industry \$1.08 for its goods and labor \$1.97 for its services."

He also said:

The relationship between the wool grower and the farmer is perfectly obvious, I think. The wool grower has never been able to prosper for any length of time when other branches of agriculture failed to prosper, and any program to help the farmer should have the support of the wool grower. \* \* \* Unless we have purchasing power among the farmers and other groups we are going to have misery and bankruptcy. Where there is no purchasing power, there is no sale for our lambs and wool.

Mr. Hoke asked the wool growers' support of the range conservation program under the Agricultural Adjustment Act.

### Lamb Market and Promotion Problems

"Why Some People Don't Eat Lamb" was shown by R. O. Roth of the National Live Stock and Meat Board in a series of charts based on the results of the Kansas City surveys of consumers, retailers, and packers. This study of the lamb-eating habits of the people of Kansas City last summer, which was sponsored by the National Wool Grow-

ers Association and conducted by the Meat Board, had for its objective the unearthing of a proper foundation on which to place efforts to increase the use of lamb.

People with higher incomes, Mr. Roth's charts quite definitely brought out, eat lamb on a fairly proportionate

### MESSAGE FROM CASPER CHAMBER OF COMMERCE

*In behalf of the Casper Chamber of Commerce and the citizens of our community, we would like to convey to the membership of the National Wool Growers Association our sincere appreciation for holding their Diamond Jubilee Convention in our city. We have received many favorable comments in behalf of your fine organization.*

*The Casper Chamber of Commerce is vitally interested in the program of the National Wool Growers Association and the many problems confronting the industry in general.*

*You may rest assured we stand ready and willing at all times to render our humble assistance if it is ever needed or desired.*

*N. J. Leonard, Secretary  
Casper, Wyoming, Chamber  
of Commerce*

scale with other meats, but such is not the case with families having less money to spend for meat. This situation is due to several things, but principally perhaps to the preponderance of liking for chops and roasts, or the more expensive cuts, and lack of knowledge of the newer forequarter cuts and their cooking. Prejudice against lamb, dislike of its odor and flavor also appear as smaller but still quite definite

The Colorado-Nebraska Lamb Feeders Association has been financing a short, intensive lamb campaign every spring for several years past under the direction of the National Live Stock and Meat Board, and John Jiridon of Morrill, Nebraska, vice president of that organization, told the convention of their plans to spend \$10,000 this spring in a similar program. He also cited the fact that if an assessment of 1 cent per head could be collected on the total annual slaughter of lambs in the United States under federal inspection—17,000,000 last year—an advertising fund could be raised that would

really put lamb production on a profitable basis.

Particularly interesting were Mr. Jiridon's very frank statements of opposition to the feeding of lambs by the packers, direct buying, and the practice of "one-price alley buying." In this connection he said:

Our association is definitely opposed to packers' feeding lambs for market in competition to our members for more than one reason. We believe that their supplies are held over the market at certain periods for the definite purpose of breaking the fat lamb market or for preventing a natural price rise based on supply and demand factors. \* \* \* Many of our well-informed members tell me that they have personally observed the operations of these packer feed yards for a number of years. They tell me that their feeding methods are not efficient, that their care and handling are not as economical as the average farmer feeder and that on the average the death loss in packer feed yards is much heavier; therefore their cost of gain is much higher. But they seem willing to operate these yards regardless of these conditions and there is only one answer: the losses involved in feeding operations must be more than off-set in some other direction—and that answer is: better control of prices at the central markets because they can refrain from competition on the open market almost any time they choose. \* \* \*

I am sure that the big majority of our members also feel that direct buying adversely affects the market structure and they feel that the whole price structure would be materially improved if direct buying was eliminated. I am not here to tell you the remedy but I do know that it is growing each year and that the great open competitive markets are dying gradually, and if the trend doesn't change soon, these great markets will some day cease to exist, to the detriment of every livestock producer in this country.

There is another practice on the central markets which we have condemned and have asked the large packers and the commission men also to correct—with very little result to date—I am referring to the practice of so-called "alley buying." \* \* \* Personally in my own operations I gain some advantage from this system because my own shipments are generally heavyweights and the feeder who ships light finished lambs is helping to pay my bill, but nevertheless I do not approve of the system and I am hoping that some way can be found to correct it.

John Holmes, president of Swift and Company, who addressed the convention on the day following Mr. Jiridon's talk, made no direct reference to the latter's accusations. He did say, however, that "some statements made about

the packers are not supported by facts," and suggested closer cooperation between the producers and packers through discussion of their common problems in intimate meetings.

When something is being done or something is reported as being done by the packers which is or seems to be inimical to your interests, if your national or state secretaries would immediately contact the Institute of American Meat Packers, or the individual packer involved, I feel safe in saying that you would find a cooperative attitude on the solution (Mr. Holmes said). If the complaints which come from your members in regard to market happenings could be brought up while they are still fresh in mind, it would be helpful. I can speak specifically for Swift and Company and can assure you here and now of the utmost consideration and businesslike cooperation in getting to the root of any problem in which Swift and Company seems to be a part. It is in this spirit of cooperation that I urge the National Wool Growers Association to feel free at all times to call upon us to sit with you and discuss our mutual interests.

Refraining from making any predictions about the 1940 lamb market, Mr. Holmes listed the following as factors that will have a bearing on lamb prices this year:

1. Consumer purchasing power should be slightly higher than it was in 1939.
2. The supply of lambs should be about the same as in 1939.
3. Because of the increased pork supply, the total amount of meat to be consumed in this country will be considerably more than during the past year. Will the war take some of this meat off of our hands? It is too early to hazard a guess. All that can be said is that so far export volume has not shown any spectacular increase.
4. The by-product value of lambs is of course largely dependent on the price of wool. What wool prices will do I do not think anyone can say.

The shift in lamb production to the South and East and the resulting competition from those areas that the range producer has to meet was also cited by Mr. Holmes as a new and important factor in the lamb market problem. According to federal government forecasts, this competition will be greater in 1940 than in 1939 and very clearly signifies the need for greater and more uniform consumption of lamb over the entire United States.

This new lamb competition from the South and East was also referred to by John T. Caine III of the Chicago Union Stock Yards, in his short talk on "Lamb

## MONTANA INCREASES 1939 QUOTA PAYMENT

*The Montana Wool Growers Association brought its quota payments to the National Wool Growers Association for last year up to \$3,033, by payment of \$2500 after the publication of the National Association's income for 1939 in the January Wool Grower.*

*This brought Montana within \$350 of her total allotment for 1939. Wool growers' associations of Colorado, Idaho, Texas, Utah, and Washington paid their quotas in full; Oregon, like Montana, was short only \$350 and Wyoming about \$460.*

Trails from Range to Consumer." To offset the downward pull on prices that present large supplies have, Mr. Caine suggested the desirability of having lambs of good quality available at the price-making markets at all times and of marketing the lamb crop in an orderly and evenly distributed manner.

## Wool Marketing

The history of cooperative wool marketing in the United States, the present status of the National Wool Marketing Corporation and its prospects for the future were presented to sheepmen in attendance at the convention by James H. Lemmon of Lemmon, South Dakota, who became president of that agency last December.

I would like to have you know (Mr. Lemmon said) that we have a capital structure, or reserves of approximately one million dollars and as one of my friends recently said, it is so liquid that you can pour it out of a pitcher. We have this invested in government bonds, cash and receivables and are in A-1 financial condition. I wish to say to you that these reserves, or capital, have been created from earnings during the past eight years. In addition to this we have returned to our members about \$328,000 during this period in reduced charges or commissions, meaning our net earnings have been about \$1,328,000. Remember that this earning, or profit, has been made or accumulated from commission and other charges made by us for marketing the wool of our members and these charges have always been the same, or a little less, than those of others engaged in the same line of business. Also remember that the charges and commissions have been slowly reduced over that period and that we have initiated that reduction in every case. \* \* \* This capital has been created by the wool grower; it belongs to the wool grower and is working for him; we are financially sound and independ-

ent and can ask for and receive adequate capital and do not need to increase this unless something unlooked-for occurs. If we follow sound policies and do not jeopardize or lose these reserves we can begin reducing our charges further or pay a patronage dividend, which is one and the same thing.

## Grazing

E. N. Kavanagh told sheepmen at Casper that the Grazing Service of the Department of the Interior proposed to find out if the code governing the use of lands in the Taylor grazing districts needed amending, but it did not intend to upset or confuse the situation. Recommendations of advisory boards would be summarized, he said, and returned to a group of selected representatives of those boards, who, working with the regional graziers, should be able to develop a "code with sufficient flexibility of administration to meet the many and varied conditions found in the range country."

Issuance of term permits, he said, had been delayed by the need for correction of the land pattern, but it was expected that a considerable number could soon be issued through the respective states. Up to the present, the term permits have been given out in only two districts.

Realization of the main objectives of the Taylor Grazing Act, stabilization and rehabilitation, must fall largely on the shoulders of the advisory board, Mr. Kavanagh declared. "They must endeavor to mesh the range livestock industry into the local economy so as to insure that the whole foundation—not alone the range end—is sound and stable."

## Predatory Animal Control

The present very active interest in predatory animal control was indicated in the reception of and discussion following the address of D. D. Green, chief of the Division of Predator and Rodent Control of the Biological Survey.

"The problem of predator control, especially the control of the coyote," Mr. Green said, "is increasing rather than diminishing in scope because of a combination of circumstances that includes an increase in the number of predators, which is reflected in the steady increase in the number of coyotes taken each

year as compiled from the reports of Biological Survey hunters. During the fiscal year 1939 the number of predatory animals caught by these hunters was approximately 121 per cent greater than during the fiscal year 1930, although funds available for the work last year were only 22 per cent greater than during 1930. While efficiency of the personnel engaged in this work is partially responsible for the increased take in 1939, the main reason must be ascribed to the greater number of coyotes at large."

Research work in predator control is now being done by the Biological Survey with the hope that improved methods of control may bring about a quicker solution of the problem.

While there is a good deal of criticism from various sources against predatory animal control, Mr. Green declared that "some form of control will continue because stockmen and sportsmen are no more prone today than in early Colonial days to stand idly by and allow predators to carry on unrestricted slaughter of domestic livestock and beneficial wildlife."

#### Special Work of Wool Marketing Committee

The wool marketing committee of the convention convened on Monday, the 22nd and continued its deliberations in between the regular sessions. Representatives of the wool trade were invited to appear before the committee and express their views on marketing problems. Mr. George Anderson of the firm of Adams and Leland proposed the writing of a new consignment contract to be recommended to various wool houses, which would prevent some of the practices which Mr. E. S. Haskell, investigator for the Special Senate Committee for the Investigation of Wool Marketing, had recommended, in making his report to that committee, to be covered by legislation.

Such a contract was drawn up and considered by a subcommittee of the general wool marketing committee and copies have been referred to the various state associations for criticism and action upon.

### Prominent in Breed Associations



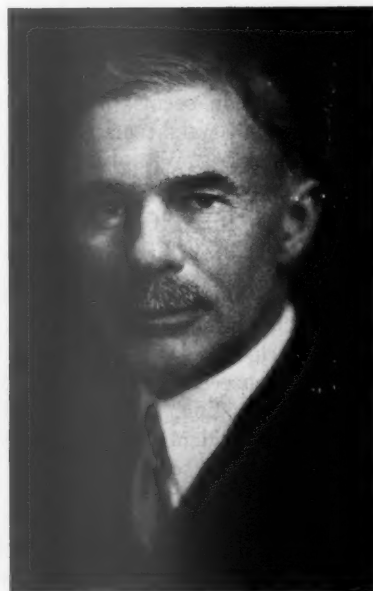
James Laidlaw, Boise, Idaho  
President, American Suffolk  
Sheep Society



John K. Madsen, Mt. Pleasant, Utah  
President, American Rambouillet Sheep  
Breeders Association



Herbert T. Blood, Denver, Colorado  
President, American Corriedale  
Association



Malcolm Moncreiffe, Big Horn, Wyoming  
Vice President, American Hampshire  
Sheep Association



# State Conventions in January

**A**TTEENDANCE at four of the five state conventions held in January by wool growers' associations gave the writer a renewed conviction that production in the range sheep industry has been streamlined down to a fully modern basis which only awaits a logically expected improvement in wool and lamb prices to bring some return of the confidence and enthusiasm that has been too largely missing since 1930.

Last fall's pickup in wool prices gives a rosier hue to 1940 prospects. Except for the small volume of consigned wool carried into and sold on the higher market, comparatively few growers got the benefit of the rise.

A good representation from the Boston trade followed the convention circuit, but apparently were mainly on scouting missions. They found most growers very firm in their ideas of shearing time wool values. So far as could be learned, no offers were made or options taken. Growers or feeders who named prices put them in line with the high point of last October.

Wool dealers and manufacturers appear to be following a waiting policy. Imports of fine wool from South Africa have supplied some of the more urgent requirements. The mills are completing deliveries of spring and summer weight goods and entering the season for booking orders on fall weights which will be produced during spring and summer. Few mills have material wool stocks for the fall business and will necessarily have to cover orders by actual purchases when orders are at hand. Prices of fall weight goods show a material mark-up, fully reflecting currently quoted prices for wool and the advance in mill wages announced for February.

The situation seems to hang on the extent of orders booked for fall weight materials, and that should develop during February. With liberal orders at hand, the only

things in sight that could lower existing prices are the attitude of the British government in pricing Australian wools, and the position of the growers themselves. It is quite unlikely that the former will weaken. How firm the scattered growers will remain, in case the situation turns in their favor, of course cannot be foretold.

A dry fall season on the ranges was reported from Idaho, Oregon, Washington, Montana and Utah. Quite generally there had been welcome rains or snows in December or January.

Aside from the programs and agreed expressions of policy and attitude through resolutions and committee reports, these meetings do much to promote common understanding of local and general problems. The good fellowship that always results from closer acquaintance ensures local harmony and cooperation instead of conflict and rivalry.

In all the states, there was an active interest in (1) the wool situation, (2) the reciprocal trade agreement program, (3) the status or possible transfer of the Forest Service, and (4) the creation of new national parks.

The National Secretary discussed the tariff situation, lamb promotion and other National Association work at Idaho, Oregon, Washington and Utah. President Rich appeared on the Idaho program. Vice President Pauly represented the National Association at the Montana meeting.

E. N. Kavanagh represented the Grazing Service at Idaho, Oregon, Montana and Utah regional and local forest officials were in attendance at all states for platform appearance and conferences with committees.

Our reports of the separate conventions are necessarily limited to an outline of the official reports and resolutions, and special features of the programs.

## IDAHO

Boise—January 4-5-6

In its rotation of capable and practical association heads, Idaho added to its list by electing Harry B. Soulen of Weiser to succeed Merle L. Drake. Thomas H. Gooding, Jr., Shoshone, was named vice president and M. C. Claar was continued as secretary.

### General Resolutions

The committee on general resolutions, of which Dr. S. W. McClure was chairman:

1. Pleaded with Congress to "hasten and save what remains of our protective tariff law," and urged Congress to appoint a committee to make a thorough investigation and determination of what products can be raised more profitably by an increase in tariff rates.

2. Called upon "Congress at the present session to reestablish itself in the confidence of the people by assuming the powers given it by the Constitution, and by repealing these bewildering laws and permitting individual enterprises to master this depression as they have mastered all others."

3. Recommended a well-organized plan of range burning.

4. Approved the work of the Dies Committee.

5. Urged repeal of the Wagner Labor Relations Act, and passage of law fair to employers and employees.

6. Opposed processing or similar taxes on any sheep products.

7. Asked the restoration of the Farm Credit Administration to its former independent status.

8. Recommended the removal of the present limit on individual loans through federal land banks.

## Lamb Marketing

The report of the lamb marketing committee:

1. Criticized as unfair to producers the suppressing of prices by discrimination against choice lambs on days of dull markets and heavy runs.

2. Commented upon fluctuations in market prices for live lambs during times of little or no fluctuation in the dressed trade.

3. Asked the four packing companies that handle 84 per cent of sheep and lambs slaughtered under federal inspection to aggressively merchandise and distribute lambs.

4. Stated that it was "beyond our comprehension that last year's prices were on such a low basis."

5. Opposed any increase in commission and stockyards charges.

### Freight Rates

The report of the committee on transportation:



1. Asked the carriers to abandon remaining charges for unloading and service.
2. Disapproved the attempt of the carriers to increase rates upon feeder and stocker livestock.
3. Asked that commission firms render account sales showing itemized charges for hay and feed.
4. Expressed opinion that charges now levied for stockyard and feedyard services are ample, and are returning to these companies a substantial profit.
5. Asked that in the transportation act now under consideration by Congress (a) that there should be no change in the language of section 4 which relates to rates on long and short hauls, (b) that amendment be made to section 15 to allow the opening of all closed gateways, and (c) asked for retention of the language regarding rate-making which would provide for consideration of the "inherent advantage of each type of transportation based on cost of service rendered."

### Predatory Animals

It was recommended by the committee on predatory animals:

1. That the eight million dollar assessment on all sheep in the state to be used for predatory animal work through the county boards, be retained.
2. That all county and district boards adopt a minimum bounty payment of \$2 on coyote pups, at least through the denning season.
3. Recommended that 30 per cent of range improvement funds from fees collected in Taylor grazing districts be made available for predatory animal control.
4. Favored a uniform bounty for the western range states, 50 per cent to be paid by wool growers, and 50 per cent by various federal agencies.

### Wool Marketing

The wool marketing committee:

1. Urged final enactment of the fabric labeling act.
2. Called upon the state and national associations to carefully watch legislation that may be proposed by the United States Senate Special Committee on Wool Marketing.
3. Commended the work of the Federal Trade Commission in connection with the labeling of textiles.
4. Recommended a survey of proposed plans for public education regarding the valuable qualities of wool.

### General Operations

This committee:

1. Approved the work of the Governor's Tax Commission.



H. B. Soulen, President  
Idaho Wool Growers Association

2. Objected to the assessment on feeder lambs.
3. Urged a uniform basis of assessment of grazing lands and all classes of property.
4. Opposed any action by the association in connection with employees of members.
5. Asked for exemption of agricultural labor from the provisions of the National Labor Relations Act.

### The Cost of Production

The report submitted for 1938 expenses and income showed an operating profit of 7 cents per ewe for that year. Preliminary figures for 1939 indicated total receipts per ewe of \$7.43, and expenses of \$7.18.

### The Program

President Drake, in his address, commented upon the inability of the Taylor Grazing Division to properly supervise grazing. "If the Taylor Grazing Act is to exist," said Mr. Drake, "we should make a demand on Congress to appropriate ample funds to administer the law. I do not encourage growers to refuse to pay 1940 grazing fees, but unless future developments in administration justify the existence of the Act, I can see no other recourse." The President further stated that demand for economy in government has created pressure for consolidation of

forest and public domain grazing administration in the Department of the Interior. He recommended that "if a consolidation is to take place, the Taylor Grazing Act should be placed in the Department of Agriculture."

Mrs. Robert Naylor of Emmett, president of the National Women's Auxiliary, also spoke.

Dean John A. Hill and Fred E. Warren of Wyoming discussed the possibilities of increasing fleece weights through culling of ewes. Mr. Warren stated that in employing the culling methods practiced by Dean Hill, upon ewe lambs added to his flock, an increase of over three pounds in the average fleece weight had been obtained in 15 years. Mr. Warren also declared that rigorous culling of ewes for wool production helped to produce better lamb crops.

National President R. C. Rich dealt with the subjects of taxes, promotion of wool consumption and the trade agreement program as proposed to be applied through the agreement with Argentina.

Dr. Hadleigh Marsh of Montana discussed some of the most serious diseases of range ewes, and the employment of sanitary methods for preventing losses in lambs.

Among the other speakers on the program were L. J. Driscoll, S. J. Pauly, John T. Caine III, C. E. Favre R. W. Doe and E. N. Kavanagh.

### OREGON

Burns—January 8-9

Mac Hoke of Pendleton was named to the presidency of the Oregon Association to succeed Leo Hahn. Wayne Stuart of Dayville was elected to be vice president. Mr. Holt will remain as secretary.

Largely attended meetings of the committee on grazing and public lands were held on the afternoon and evening of the day before the convention.

Discussion was especially keen in connection with the proposed "range protection cuts" on forest lands, and on the necessity of submitting more forest grazing affairs for the consideration of advisory boards. The committee recommended that "forest associa-



Oregon Officers: Left to right, Walter A. Holt, secretary, Mac Hoke, president, and Wayne Stewart, vice president.

tions be formed and advisory boards named for each forest, the boards to be consulted on all matters of importance affecting permits and the management of livestock on forest lands." It was asked that no range protection or other cuts be made on permits for 1,000 head or less.

The committee opposed the creation of any more game reserves, national monuments or national parks in Oregon, and named a committee to contact the Oregon winter sports associations and other organizations opposing the creation of more parks. It was also asked that local governments be reimbursed in the amount of 50 per cent of the revenue derived from lands purchased by federal agencies, this to be in lieu of taxes formerly obtained.

The collection of 75 cents for each car of sheep handled at central markets, and a similar amount on sales at country points was approved with the understanding that 50 cents from each collection would go into a special fund for the promotion of lamb consumption.

Early enactment of the fabric labeling bill was called for.

The convention voted in favor of the repeal of the Reciprocal Trade Agreements Act, and also for the maintenance of an independent status for the Farm Credit Administration. The report further said, "We believe this can be done only through an independent board operating within the Department of Agriculture, or closely correlated with

it." Officers of the association were instructed to use every effort possible to prevent the transfer of the Forest Service to the Department of the Interior.

The association reaffirmed its stand in support of the language of the long-and-short-haul clause of the existing Interstate Commerce Act.

Upon the subject of freight rates, the convention insisted that "the expense and energy now being devoted to the elimination of competitors by legislation or taxation be used to secure the maximum of efficiency and the lowest possible rates for every method of transportation," and further, that no system of legal regulation be instituted that will prevent the consideration of rate making or the inherent advantage of water transportation.

The convention expressed its belief that the Extension Service of Oregon State College is fully able and amply equipped to carry out the educational and contact work of the federal programs with farm people of the state.

The federal range conservation program was heartily endorsed.

President Hahn's address dealt with the lack of profits for Oregon wool growers in recent years, and argued that the large wool imports of October were proof that the duty is properly adjusted. He also voiced strong criticism of the effect of the reciprocal trade agreement program upon agricultural and livestock producers, and criticized extravagant government spending.

Mrs. Ralph Thompson made a very concise report of the very excellent work done by the Oregon Ladies Auxiliary last year in forcing upon the attention of citizens of Portland and rural communities the attractive qualities of wool, and the economy and value of more liberal use of lamb.

Secretary Holt's report showed the collection of 1939 dues in the amount of slightly over \$3,000, of which the major part was used to pay the state's quota of the budget of the National Wool Growers Association. He forcefully presented the need of more adequate financing for the use of national and state associations in the performance of service necessary to the industry.

Features of the program were an address by Orlo H. Maughn, director of Research, Spokane Federal Land Bank, which provided a very practical discussion of economic features of production and prices of livestock in recent years.

George Weaver, Washington, D. C., outlined general features and recent alterations in the A.A.A. range program and the basis of compensation to co-operators.

J. H. Dobbin spoke forcefully in opposition to the proposal to create a new national park in Wallowa County. A feature of the convention was the scholarly address of Mac Hoke, in which he dealt with the necessity and methods of maintaining an economic balance between agriculture, labor and industry.

## WASHINGTON

Yakima—January 11-12

The Washington Association's original style of convention was conducted as usual without a printed program, and under the entertaining methods of President Drumheller, who was reelected for his 26th year of service. R. A. Jackson of Goldendale was named as vice president, and A. E. Lawson was retained as secretary.

Through its various committee reports, the convention:

Opposed the transfer of the Forest Service to the Department of the Interior.

Commended the range program of the A.A.A. for the improvements made possible

on the ranges.

Opposed the levying of any kind of tax on livestock and livestock products for the purpose of carrying out soil conservation programs.

Reaffirmed their stand in favor of the truth-in-fabrics bill.

Asked that the Commodity Credit Corporation continue the wool loan program for 1940.

Recommended a plan to increase the present collection of 25 cents per car for lamb promotion, to one-half cent per head, to be deducted on all receipts at all central markets, and also collected on lambs sold at country points.

Opposed the present "unwise and un-American Reciprocal Trade Agreements Act."

Asked that the final form of the transportation bill retain the provision authorizing the Interstate Commerce Commission to require joint-line rates so that shippers may route their stock by the most direct route on the basis of the through rate.

In regard to farm credit policy, the convention stated:

We believe it is highly important for our industry and all other lines of agriculture that loans made by the Farm Credit Administration be kept on a sound basis. We ask Secretary of Agriculture Wallace to stand on his announcement of May 1939 which promised an independent status for the F.C.A. We further ask that this agency be kept entirely free of politics and that it continue its policy of making only sound loans.

President Drumheller consistently refrains from making addresses, but more than compensates the conventions by his timely comments interspersed between set speeches, and expressed in introducing program subjects.

Secretary Lawson's report showed a total income of \$2700.33. The association makes a material contribution to salaries of coyote hunters, and regularly pays its full quota of the budget of the National Wool Growers Association.

The absorbing question before the convention was the proposed creation of Cascade National Park. As under consideration, this park would absorb over three million acres of national forest land, extending in a northerly and southerly direction across the state. It is reported that this is the beginning of a series of new parks through which the Department of Interior plans to make a continuous series from the Canadian to the Mexican borders. The proposal was denounced by D. T. McCau-

ley, state game commissioner; W. J. Robinson, director of the State Department of Agriculture; and J. H. Sylvester, vice president of the Washington Resources Association, as well as by other speakers. Sportsmen and other recreational organizations are also contesting the proposed withdrawal.

Dr. Robert Prior, manager of the Washington State Dairy Products Commission, gave lamb raisers some interesting and suggestive facts regarding the national movement being organized for the advertising and promotion of dairy products. Washington and other states have passed laws legalizing and requiring a check-off of 1/10 of a cent per pound on butter fat supplied to creameries. The Washington Commission expects to have \$60,000 per year, and the national program is planned to call for annual expenditures in the neighborhood of two million dollars.

Lamb identification contests by state 4-H boys and girls, culinary demonstrations and a wool style show highlighted the late afternoon program and concluding sessions of the wool growers' auxiliary.

## MONTANA

Helena—January 15-16-17

The Montana Wool Growers Association held a very successful convention, with approximately 700 people signing the registry book. W. G. Gilbert of Dillon was reelected president, John E. Foster of Harlowton was elected vice president, and Paul Etchepare will continue as secretary.

In resolutions adopted by the convention, the association resolved:

That preference in granting permits on Indian lands should be given to the Montana stockmen.

That the legislature be requested to appropriate from the general fund \$20,000 annually for the support of predatory animal control; that financial assistance from the State Fish and Game Commission would be highly appreciated by the livestock industry for its predatory animal work; "requested and urged to immediately be put into effect the provisions of H.R. 9599, 71st Congress, approved March 2, 1931, which authorizes an appropriation of one million dollars annually for the control of predatory and other injurious animals."

That Montana wool growers are opposed to the so-called Divorcement clause in any legislation to regulate wool marketing.

That "if and when further trade agreements are consummated, or existing trade agreements extended, they should be concluded only upon the ratification of the Senate."

That the State Board of Equalization should continue their efforts along the line of assessing lands on a productivity basis, and the accumulation of such data as may be necessary to classify all lands on such a basis.

There was a fine wool exhibit in the lobby of the Placer Hotel, prepared and shown by Dr. R. T. Clark, assisted by Curtis Hughes. Professor J. F. Wilson, wool specialist of the California Experiment Station, was responsible for the prize fleeces on display. These represented wools from Australia, New Zealand, Argentina, Scotland, Canada and six western states. Of special interest were prize fleeces displayed by Lester Huddleston and J. H. Hahn, prominent Montana breeders.

## UTAH

Salt Lake City—January 18-19

The Utah Wool Growers voted to retain Don Clyde of Heber City as their president, Vern W. Pace of Richfield as vice president, and James A. Hooper as secretary.

Committee reports of the convention:

Opposed the Reciprocal Trade Agreements Act, and demanded that the terms of the Constitution be complied with wherein all acts pertaining to revenue originate in the House of Representatives, and that all treaties be approved by the Senate before they become effective.

Opposed either state or federal laws limiting the outlet of our products through unfair taxation.

Requested that the Farm Credit Administration be restored to its independent status at the earliest possible date.

Requested that the National Labor Relations Act be so amended as to define the phrase "agricultural labor" as it has been defined in the Fair Labor Standards Act.

Favored a closer cooperation between the Grazing Service of the Department of the Interior, the advisory boards, and the Utah Wool Growers, to be brought about by the formation of a permanent committee named by the directors of the Utah Wool Growers.

Favored an amendment to the Range Code granting priority only to owned land and livestock.

Recommended that there be appropriated by the U. S. Congress \$20,000 to be expended by the Research Branch of the Forest Department in Utah to investigate and make recommendations on big game management.



Endorsed the present state cooperative predatory animal program.

Asked the Commodity Credit Corporation to make available loans on the 1940 clip.

Favored a wool products labeling act that will definitely inform the consuming public of the contents of fabrics, particularly as far as virgin wool is concerned.

Recommended that suitable legislation be enacted for the regulation of all marketing agencies, consignment houses, dealers and speculators in wool and requested that cooperative organizations offer broader marketing facilities.

Condemned the use of foreign wool in government contracts that are let for blankets, cloth, or other wool articles.

Requested that national forest permits and allotments be recognized as now constituted except where agreements may be reached which will be for the betterment of the permittees, any such changes to be made with the consent and approval of said permittees.

Stated that "in view of the position which the livestock industry holds in the scheme of agriculture, the proper place for the Forest Service is under the Secretary of Agriculture."

The resolution on transportation was similar to that adopted by the National Convention.

The treasurer's report made by Mr. Hooper showed a healthy condition. In 1939 dues were collected in the amount of \$5,000. In the main, these come to the state association from local associations, most of which are made up of permittees on various national forests. The state paid its full 1939 quota of \$2700 for the support of the National Association. The principal expenditure was for the national budget.

In talks given by President Don Clyde and National Secretary F. R. Marshall, the protective tariff policy as embodied in the trade agreement program was sharply criticized. Mr. Clyde, after citing some statistics to show the importance of the home market, said: "Are we now, through trade agreements, to yield this vast market within our own country to people of other languages, other customs, who do not contribute to the maintenance of our government, our schools or our roads? In my opinion, it is decidedly unfair for the present administration now to ask the American producer to meet foreign competition from countries whose

standard of living and production costs are not comparable to ours."

He further stated that the numbers of game on the national forests would have to be reduced on Utah's ranges for the preservation of Utah's livestock. He urged full support of the advertising program to increase the consumption of lamb.

Mrs. Hyrum S. Erickson of Salt Lake City, president of the Ladies' Auxiliary, introduced a novel feature by making her report by radio transcription.

In his talk, Mr. C. J. Fawcett, general manager of the National Wool Marketing Corporation, gave a detailed analysis of market conditions; said he thought prices would start strengthening as soon as the supply of South American and South African wool is absorbed by the trade. He criticized the wool top futures market as detrimental to the industry.

Other outstanding speakers of the convention were C. N. Woods, regional forester of Ogden; Paul C. Smith, vice president of Swift and Company; E. N. Kavanagh, chief of range management, Division of Grazing; and John T. Caine, III.

A special feature was a meat-cutting demonstration by M. O. Cullen of the National Live Stock and Meat Board.

## Domestic Wools For Government Contracts

**S**UBJECT numbered 35 in the 1940 Platform and Program of the National Wool Growers Association instructed Association officers to urge that government departments should require the use of domestic wools in filling contracts for cloth, clothing or blankets.

For several years all contracts let by the War and Navy Departments have called for the exclusive use of domestic wools. The War Department controls the purchase of all C.C. Camp materials. This requirement is called for by a law enacted in 1932, which reads as follows:

1212. **Restricting purchases to articles of growth, production, or manufacture of United States.** In the expenditure of appropriations for the military

and nonmilitary activities of the War Department, the Secretary of War shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable. (Mar. 8, 1932, c. 73, 47 Stat. 62.) See section 10a of Title 41.

In 1933 a similar provision was made applicable to all government departments:

10a. **American material required for public use.** Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used, or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality. (Mar. 3, 1933, c. 212, Title 111, Sec. 2, 47 Stat. 1520.)

Domestic wool stocks on December 30, 1939, were reported by the Bureau of the Census as consisting of 167,881,000 pounds of shorn wool (greasy basis) and 37,539,000 pounds of pulled wool. Of the domestic shorn wools, manufacturers and topmakers held 69,853,000 pounds, and dealers, 29,589,000. More than half of manufacturers' stocks was fine wool, while dealers' stocks contained approximately equal amounts of fine and crossbred grades.

It would appear that the available supplies of domestic wool are sufficient to furnish amounts needed for government contracts until the new clip reaches the market.

# The President's Address

By R. C. Rich

*Delivered Before the 75th Annual Convention of the  
National Wool Growers Association.*



R. C. Rich

IT IS, I am certain, quite fitting for us to celebrate the seventy-fifth anniversary of the National Wool Growers Association in the State of Wyoming. Wyoming wool growers have, and do, play very prominent parts in National Association affairs.

After the close of the World War in November 1918, this country found itself on practically a free-trade tariff policy. Agricultural commodity prices went down from very high war prices to prices below normal production costs. The Fordney-McCumber tariff bill, which carried, generally, rather adequate rates, was passed, I think, in 1922. After the enactment of this law and under the impetus of easy credits extended by this country and tremendous demand for our industrial and agricultural commodities, this country enjoyed what, in my opinion, was a period of the greatest prosperity ever enjoyed by any country in the history of the world.

The Smoot-Hawley tariff bill, with some increases, but in most cases not materially higher than existing rates, became law in 1930.

After President Roosevelt's inauguration in 1933, it was, for some reason, the policy of the administration to sell the citizenry of the country the idea that nearly all of our previous policies were unsound. A large part of the responsibility for the depression and bad times was charged to the so-called high rates of the Smoot-Hawley bill. If it was fair and decent to blame the depression of 1932 on the Smoot-Hawley bill, then it must be only fair to give credit to the Fordney-McCumber tariff bill, in which many rates were similar to those of the Smoot-Hawley

bill, for the wonderful prosperity enjoyed by this country during the 20's.

Congress and the country were sold the idea that there was much log-rolling and that it was a most insidious practice for the Congress itself to write a tariff bill. This resulted in the passage of an act in June, 1934, conveying to the President the authority to negotiate and effect reciprocal trade treaties or pacts with foreign countries. The authority for this program was to expire on June 12, 1937, and in anticipation of this, the Congress again extended this authority until June 12, 1940.

In fairness to the Congress and the President, and remembering one of his public statements in which he said he did not know of any tariff rates on agricultural commodities that were too high, we are entitled to assume that it was their intention that the administrative policy was to be such that we would trade only on agricultural commodities of which we did not have and could not produce an adequate supply.

The administration of this tariff program had been placed under Secretary Cordell Hull and his State Department, and if it was true that the Congress and the President did not intend that agricultural tariffs should be lowered, we all soon learned that Mr. Hull believed in a gradual and effective lowering of tariffs on practically all agricultural commodities. Such a program was carried on steadily and was climaxed late in 1939 by the announcement of proposed trade treaties with several South American countries, which proposed treaties all contemplated serious reduction in agricultural commodity rates. In the an-

nouncement of one of these proposed treaties, the State Department listed 29 articles on which it might be willing to reduce the tariff. Of these 29 articles listed, 25 were agricultural.

After the announcement of the contemplated treaties with our South American neighbors and the accompanying list of agricultural commodities in which our State Department was willing to trade, there was a tremendous protest from interested agricultural people. Many members of both branches of Congress gave public utterance or made formal protest against reducing rates, and about January 4, the State Department announced that its negotiations with South American countries in this regard had been broken off.

In this connection, let me quote a Washington dispatch carried in the Salt Lake Tribune on January 6 past:

"The accepted conclusion in Washington is that the Argentine negotiations have been laid away on ice, to be held there until after the 1940 election, and that once the election is over,

negotiations will be resumed. The National Grange seems to sense the situation, and taking issue with the Farm Bureau Federation, is out today with a blast demanding amendment of the Act to require ratification of all trade treaties by the Senate.

"Senator Johnson of Colorado, Democrat, arch foe of the reciprocal trade policy, warns that negotiations with Argentina would be resumed by July if Congress fails to require Senate approval of trade treaties."

When the original authority for this trade program was granted in 1934, and again when it was renewed in 1937, many of the able and highly regarded members of the Senate proclaimed that the proposed program was not constitutional, that the Constitution clearly provided that treaties with foreign countries were to be ratified by a two-thirds majority of the United States Senate. However, the Congress, having failed to accept their version and to heed their advice, at least a great many members, now found themselves in entire discord with Secretary Hull's program. But, having given away their authority to act in the matter, now had only the recourse of appearing before the Committee for Reciprocity Information and protesting against the further reduction of rates on all or part of the commodities listed.

The administration and the State Department have had introduced in the House a measure to renew their authority to carry on the reciprocal trade treaty program. Some members of the Senate have expressed opposition to renewal of the authority and others to the renewal unless such a measure provides for ratification by the Senate.

In this regard, it is interesting to note that the United States is the only country today that does not require ratification of reciprocal trade treaties by its national legislature. The President of the United States is the only executive who has absolute power to consummate and promulgate such treaties, which make radical changes in the country's tariff rates.

However, I cannot find sufficient grounds for a member of the Congress

to justify the evasion of his responsibility in this most important matter. And I believe that it behooves all western agricultural people to see to it that their Representatives and Senators oppose the extension of this program and to use their influence to the end that the duly elected representatives of the people write the tariff bills.

### *National Parks and Grazing*

During the past year, the United States Interior Department has been most aggressive in its campaign to create new, and extend existing national parks. The same department has shown its ambition to have the United States Forest Service transferred from the Agricultural Department to that of the Interior. It is rumored that the President, who, as you know, has such authority under the reorganization bill, will soon make the transfer. This may or may not happen, but it is with grave concern that I think of the possibility of the national forests being in the same department as the National Park Service, with its well-known policy of non-use. Certainly most of us of the West are not like the national park bear, content to live from the tin cans left by eastern tourists.

If the West is to occupy its proper place in the economy of this country, we must have sound conservation of federal lands within our states, with proper utilization of their grazing, timber and mining resources.

### *Regarding the Price for the New Clip*

We have been quite careful about advising growers in regard to wool and lamb prices. We would, however, like to call to your attention that there is much in the producer's favor in the present wool market. Time has proven that our wool market would have gone up appreciably even had war not been declared in September.

Our supplies are quite low and while there has been expressed some concern that the large consumption of wool of the past 18 months might be greatly reduced, late developments in this regard do not appear unfavorable.

There has been some speculation as

to the attitude of the British authority which controls the disposal of the Australian and New Zealand wool clips. There is, however, nothing in our past relationships with Great Britain's diplomats, nor anything in the action of the people composing this authority so far, to justify the belief that they are going to sell those wools to us at a price which will adversely affect our market.

The market could, of course, be adversely affected by cessation of European wars, a large decrease in the rate of consumption and asking prices of producers for the next clip.

Do not misunderstand. We do not see World War prices for wool or other commodities in the future—certainly not unless this country extends easy credit to England and France. We do, however, advise growers to carefully familiarize themselves with Boston prices before selling their next clip.

### *F.C.A.*

During late years, the Farm Credit Administration has rendered good service and has unquestionably been a factor in providing lower interest rates to agricultural borrowers.

We were somewhat shocked when the status of this agency was recently changed from that of an independent agency to a division of the Department of Agriculture. We doubt if the past service can be perpetuated on sound principles under a political department. Practically all national and many local organizations are on record opposing the change and asking for a restoration to its former status. I believe we should use our influence to help carry out this program.

### *In Conclusion*

In my four years' tenure of office as your National President, I have found much pleasure and keen enjoyment in my association with the officers and members of the state associations. I have also enjoyed working with your Secretary, Fred Marshall, whose fine character and ability are well known to all of you. We are particularly indebted to Byron Wilson and the Wyoming Wool Growers Association for his efforts on our problems while in Washington, D. C., during the past year.



# Will You Promote Wool?

THE 75th Convention voted for the promotion of wool consumption through publicity and educational work. Advertising may be employed if sufficient funds are forthcoming.

The funny part is this: American wool growers are getting ready to promote wool consumption in the United States in cooperation with the growers of Australia, New Zealand and South Africa.

Those countries set up, in 1938, the International Wool Secretariat, which spent \$50,000 in the United States last year to enlarge the appreciation of, and demand for—not foreign wool—but all wool. The Secretariat officials considered the United States offered a fine chance to develop a larger demand for wool, and that if more wool is used in this country, the exporting countries will have a chance to sell more.

The Secretariat spent \$200,000 on wool education in Europe. The member countries are financed through government collections of a shilling a bale (eight tenths of a cent per pound) on all exports.

Compulsory collections are not possible in the United States. Consequently, it is proposed to secure funds through collection by dealers of 5 cents per bag (3 cents in Texas and fleece states), the proceeds to be used under the direction of the National Wool Growers Association. (See No. 32 in Platform and Program of the National Wool Growers Association, page 8 of this issue.)

Growers should inform the buyers of their clips that 5 cents is to be deducted for each bag and sent to the National Wool Growers Association. It will be used exclusively for wool promotion. The dealers have been asked to provide for this deduction in their purchase or consignment contracts.

## Why Push Wool?

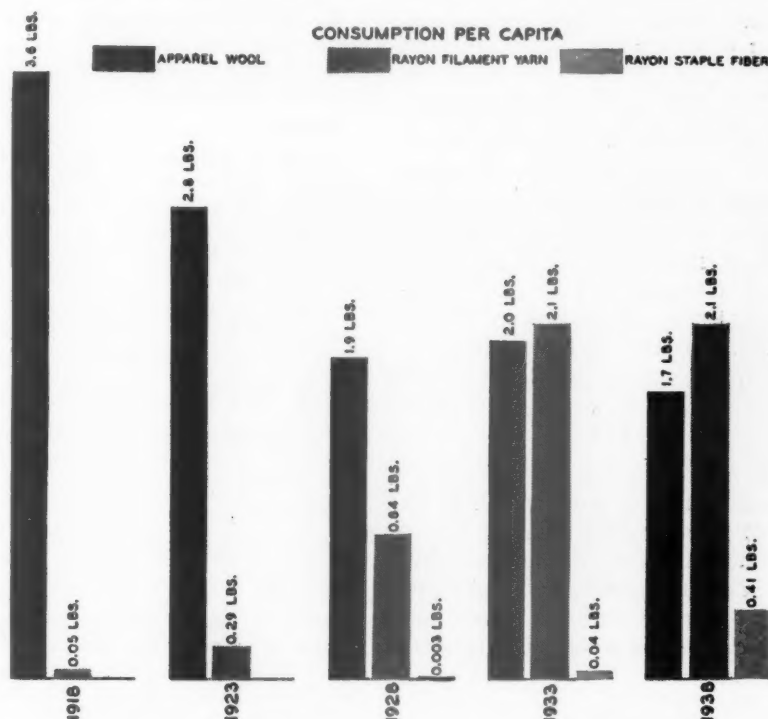
In the last 27 years the per capita wool consumption has declined 46 per cent in the United States. Of course

fashion changes are responsible for some of this. Wool stockings and underwear are not likely to return. But it must be recognized that other fibers, although lacking the exclusive qualities of wool, have taken a large place in the textile field.

The chart shows the remarkable development in the production and use of rayon in 20 years. Not all rayon replaces wool, but much of it is sold

questionable. Here is a sample that was printed recently in My Weekly Reader, The Junior Newspaper. The title was "What Are Clothes Made Of?" The story reads as follows:

When your grandmother was a little girl and your grandfather was a small boy, they probably wore woolen clothing to school in the wintertime. As soon as the late autumn winds had a nip in them, out came the long heavy underwear, the warm woolen dresses, suits, and coats.



on the basis of lower prices to consumers, who would receive better value by buying more woolen garments or garments containing more wool. This they would do if they were properly informed about the superiority of wool in respect to warmth (for outer clothing and blankets), its elasticity, which means unmatched draping, longer life, dressy appearance and other points of superiority.

In the absence of educational support for wool, the producers of artificial fibers have been pushing their product by means that are perhaps technically legitimate, but at the same time very

That winter clothing was usually made of the wool that had been sheared from the sheep. Of course, your grandmother may have had an alpaca dress, too, that was made from the wool of the alpaca, a sheep-like animal of South America. And your grandfather may have had a camel's hair coat made from the soft hair of the camel. Wool was wool in those days, and a person knew that woollens were made from the warm coat of some animal.

Today woollens may still be made of real wool, or they may be made of something very different. Men of science are always making new materials and trying them out.

Wood pulp is now treated with chemicals and made into rayon that looks much like silk. Glass can also be spun into a material that looks like cloth. Cotton and wool have

been made out of vegetables and dried milk or coal and lime in Great Britain. Wool has been made out of seaweed in Japan. Japan has tried making leather out of the skins of whales, sharks, and salmon. Denmark now makes leather out of fishskins, too.

Not long ago, two new factories on our Atlantic Coast began to make a new fiber which is said to be as good as silk for stockings.

So the clothing you wear to school this autumn and winter may be made of very different materials than were the clothes your grandparents wore when they were children. Look at the weave in your coat and dress. Touch the cloth with the tips of your fingers. Does it feel and look like wool? Is it like cotton? Do Mary's hair ribbons and Johnny's neckties look like silk?

Strange things may have gone into the making of these pretty things. Instead of fleecy wool from sheep, soft cotton from the cotton fields, or shining silk from the silkworm's cocoon, minerals and vegetables and wood pulp may have gone into their making.

Such mis-education calls for telling the real facts. Younger generations never have been properly taught about the sources of their food and clothing. School authorities and publications want material, and too often unwillingly print copy that is misleading.

All that is needed for wool is to have the truth told in an understandable way.

The wool promotion work carried on by American wool growers will be co-ordinated with the activities of the International Wool Secretariat. The New York representatives of the Secretariat recently outlined present and proposed lines of wool publicity along these lines:

### General Publicity

#### 1. NEWSPAPERS AND MAGAZINES

The advantages of wool in its various human uses must continuously be dramatized as news and feature material for the thousands of newspapers and national magazines in this country. This type of activity we are carrying on constantly. It can be expanded with additional funds.

News pictures and feature pictures are in increasing demand by the American press. This educational media will be used for dramatizing the qualities of wool wherever possible. This includes not only the national photo syndicates, but magazines such as *Life*, *Look* and *Pic*, who are always interested in good news pictures.

#### 2. RADIO

We have an exclusive program service is-

sued weekly to more than 350 separate radio stations in the United States. These are daytime programs for women audiences.

These programs will carry regularly interesting material on the characteristics, uses, and unique advantages of wool—not only wool and its importance in women's fashions, but wool in its relation to health, economy, etc.

In addition to this regular service we are endeavoring to make available through radio centers in New York, such as National Broadcasting Company and Columbia Broadcasting System, special speakers to talk about wool from time to time over national networks. Many important radio personalities like to have such guests on their programs when they have something to say of interest and importance to radio listeners.

We are in close touch with the television departments of the large broadcasting chains. One of these has already requested from us a program based on the story of wool.

#### 3. MOVIES

We are in close touch with most of the newsreel organizations. It will be our purpose from time to time to create news events based on wool which will be of sufficient general interest to require coverage by newsreel photographers.

In addition, if sufficient funds are available, we can prepare a special newsreel picture for use in schools all over the country. Such an educational movie would tell the story of wool in its various stages from sheep to human uses, pointing out the unique qualities of the wool fabric in comparison to other fibers.

### General Promotion

#### 1. SCHOOLS

There are more than 10,000,000 school children in America's grade schools and high schools. We have examined some of the special material now used in class rooms as supplemental educational information. Where this pertains to clothing, much of it tends to consider wool outmoded by developments of science in creating synthetic substitutes—"just as good as wool." We believe that the younger generation should know the facts about fabrics—that the natural wool fiber has characteristics for health and wear and economy as yet unequaled by any other fiber.

We will prepare special booklets dealing with the history of wool and its unique characteristics—such booklets to be supplied for use in our schools. These booklets could, if funds will permit, be supplemented by charts and displays showing manufacture of wool fabrics.

Among high school groups we will work closely with domestic science classes, supplying them with material which they are

anxious to have in practical courses on the advantages of wool in the home.

We will work closely with the National Educational Association, making available to them sources and material on wool which will be useful in class work.

### What To Do

Growers who want an active program of promoting wool consumption should do two things:

1. See that the contract for sale or consignment of their clips provide for the deduction of 5 cents per bag for that purpose.

2. Explain the plan to other growers and have them see that their contracts contain the same clause.

## Veterinarians Ask Help On Sheep Diseases

THE following resolution was adopted by the Intermountain Live Stock Sanitary Association which met at Salt Lake City on January 10, 1940:

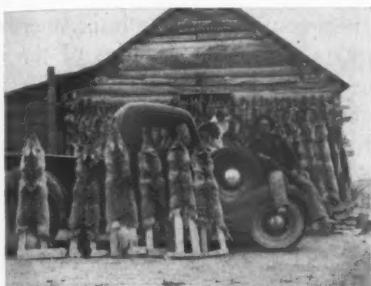
Whereas there is a very heavy loss from disease among sheep, also from parasitic infestation, and whereas much of the loss is preventable through proper veterinary service;

And whereas this resolution, if put into effect, will give much added protection to this enormous investment in the foregoing territory, (the number of sheep in the territory, according to the 1939 year book, is 21,325,000, with a cash value estimated at \$7.00 per head, or about \$150,000,000);

And whereas the officials of the Forest Service, and Grazing Service of the Interior Department, are investing large sums of money to develop the industry, it seems only reasonable that more adequate veterinary service should be provided by the Bureau of Animal Industry;

Therefore, be it resolved that the Intermountain Livestock Sanitary Association here assembled request the U. S. Bureau of Animal Industry to create a district to include the intermountain states with a bureau veterinarian in charge; one that is well trained in the control of sheep diseases and parasitic infestation.

## Utah's W. P. A. Hunters



Arlin Wakefield, a W.P.A. hunter at Grouse Creek, Utah, with 97 furs, his catch during October, November and December.

AS a member of the predatory animal committee of the National Wool Growers Association at its recent Casper convention, I was very much surprised to learn that Utah is the only state using W.P.A. trappers in its control work. Since the other members of the committee were interested, I thought a statement in the Wool Grower about our procedure in using these W.P.A. hunters might be helpful to wool growers' associations in other states.

We growers in Utah felt that a man on relief might just as well trap coyotes as work with a pick and shovel and accordingly asked such aid from the W.P.A. setup in the state and received their approval. For the work, men on relief that have had some experience as trappers are selected from the counties in the state, and work under instructions from the Biological Survey and the wool growers' advisory board. The state is divided into four districts, supervised by the Survey. The trapper's catch is counted and his report signed by any sheepman in the vicinity of his work, which gives the wool grower information on numbers caught. If there is a mean killer in an area, it is reported immediately to the district supervisor or the advisory board by the growers and a trapper is put to work in that region right away.

Through the different agencies—wool growers, Taylor grazing districts, etc.—these W.P.A. trappers receive \$15 a month more than if they were just on the regular relief rolls. And they ap-

preciate it, as shown by a Biological Survey report of 9,343 predators taken in the six months between June 30 and December 31, 1939.

The Fish and Game Commission of Utah is also cooperating in the predatory animal control program, to the extent of \$5,000. They have four paid hunters and trappers.

Under our present program we have taken more predators and have received greater satisfaction than in any previous efforts, according to my knowledge.

The annual catch now runs about 15,000 predators. There are 114 W.P.A. trappers in the state, 25 Biological Survey hunters, four from the Fish and Game Commission and five cooperative hunters on the Arizona strip, which makes a total of 148.

The picture I am sending is of Arlin Wakefield, a W.P.A. hunter at Grouse Creek, Utah, with 97 furs, his catch during October, November and December.

Layton, Utah

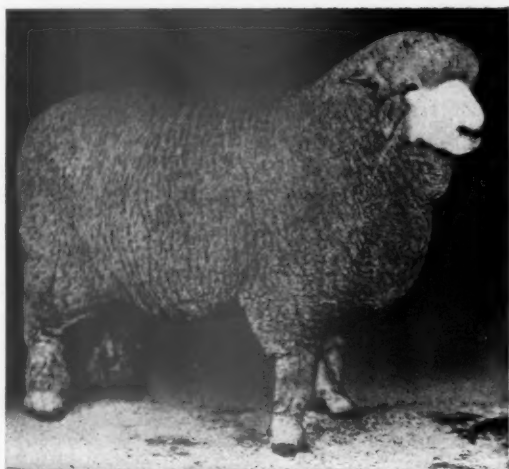
Dell H. Adams

## A Couple of 1939 Show Champions

This yearling Hampshire ram was the champion of that breed at the Golden Gate Show in San Francisco, the Pacific International at Portland, and the International at Chicago, in 1939. He was shown by Malcolm Moncreiffe of Big Horn, Wyoming.

Following the International, the ram was sold to L. T. Dwyer of Indianapolis, Indiana, for \$800. Mr. Moncreiffe also sold his reserve champion Hampshire ewe and three ewe lambs at the same time.

Mr. Moncreiffe's Corriedale ram, shown at the right, also took championship honors at San Francisco, Portland and Chicago in 1939.





## American National Live-Stock Convention

THREE days of discussion of national livestock problems by 500 cattlemen from the entire region west of the Missouri River attending the forty-third annual convention of the American National Live Stock Association closed in Denver, Colorado, on January 13 with the adoption of a score of resolutions and the election of J. Elmer Brock of Kaycee, Wyoming, as president and Frank S. Boice of Sonoita, Arizona, first vice president.

A resolution opposing the reciprocal trade program stated "that a large majority of our people are unalterably opposed to reciprocal trade agreements." It objected to the extension of the program, but, if extended, all new agreements and extensions should be ratified by the Senate, the resolution declared. The subject was outstanding at the meeting and the theme of at least three of the main addresses. George N. Peek, first administrator of the AAA and later special adviser to the President on foreign trade; Harry B. Coffee, United States Representative from Nebraska; and Dr. John Lee Coulter, former member of the United States Tariff Commission, spoke on it, all from somewhat different angles.

In a resolution condemning the huge federal expenditures, the stockmen "considered it a privilege and a duty to recommend to our own group as well as to all others that they use their best effort to combat the exertion of group pressure upon Congress for expenditures not vital to the public welfare, even though this means the termination of the range conservation program."

Other resolutions commended a bill by Representative Woodruff of Michigan calling for suspension of imports of agricultural products when they are selling below parity in the American market; urged restoration of the Farm Credit Administration "to its former status as an independent agency;" and reiterated opposition to modification of the embargo applying to countries where foot-and-mouth disease exists.

Adoption of government system of beef grading was urged upon the pack-

ing industry, and the packers were also asked to give consideration to the subject of beef advertising. An increase in the levy on cattle shipments to produce funds for the National Live Stock and Meat Board was favored.

The association opposed any transfer or consolidation under the President's reorganization authority of the Forest Service and the Department of Grazing "at this time." The resolution on this subject also sought, through a committee to be named, the amendment of the law governing the Forest Service to provide for recognition of grazing as one of the major purposes of the act, to recognize grazing preferences as rights entitled to legal protection, and to provide for a legal status of advisory boards to confer with forest officials on problems of regulation.

Issuance of ten-year permits to qualified permittees under the Taylor Grazing Act was asked by the stockmen.

The stockmen also urged Congress "to adopt a clarifying amendment as to whether or not under Section 2 of the act, which grants the Secretary of the Interior general powers, Congress authorized the secretary to evade specific provisions of Section 3 relating to term permits, thereby denying stability to livestock units dependent upon public range."

It was requested that land users under the Taylor Act be permitted to acquire, under various provisions of the act, title to land improved by government agencies, should they so desire.

One of the resolutions urged that no land located in the eleven public land states should be acquired by the United States "unless compensatory adjustment be made to such states to shield their tax structures."

Clarification of various sections of the Taylor Grazing Act to permit states to select public lands held under Section 15 leases, which under present regulations is impossible, was urged upon the Secretary of the Interior.

The stockmen opposed creation of any new national parks or monuments or enlargement of existing ones in the western states, unless approved by legislatures of the states involved.

## The White Man's Burden

IMPORTS of animals and animal products continue to pile into American markets under the stimulus of the reduced rates applied under Hull's reciprocal trade agreements.

In the eleven months ending with November, we imported 724,815 live cattle, mostly from Mexico and Canada. Imports of live hogs amounted to 74,743 head. While all these imports did not come in under the reduced duties, it was the reduced duties that brought them about.

In addition to these live animals, the imports of meat are enormous. In eleven months we have imported 144,343,867 pounds of foreign meat and meat products. Of this huge total, 82 million pounds consisted of canned beef. The absurdity of these meat imports is seen in the importation of 39 million pounds of pork, chiefly bacon and ham, at a time when our hogs are selling at the lowest gold price in history.

In dairy products we imported over 55 million pounds of cheese during the eleven months under Hull's reduction of duty. Were it not for the disturbance caused by the war there is no telling how large these imports might have been.

S. W. McClure

## Packer Earnings

THE annual statement of Swift and Company showed net earnings of \$10,321,000 during the year ending October 31. Total sales amounted to \$756,731,000.

Armour and Company reported gross sales of \$715,319,000, and a net income of \$7,013,000. In both cases the net income is before payment of dividends. Armour paid \$3,747,000 in dividends on capital and surplus amounting to \$121,641,000, and has issued 551,338 shares of preferred stock with a par value of \$10, and 100,000 shares of common stock with a par value of \$100.

The capital stock and surplus of Swift and Company is reported at \$231,790,000, with 6,000,000 shares of stock issued at a par value of \$25.

# National Farm Credit Policy

By F. F. Hill, Former Governor

Farm Credit Administration

An Address Before the 75th Annual Convention of the  
National Wool Growers Association



F. F. Hill

the boom days of the late 1920's. Since a farmer or rancher cannot suspend operations because a creditor happens to want his money or decides to invest it elsewhere, it is essential from the standpoint of agriculture that it have not only an adequate but a dependable source of credit.

It also goes without saying that agriculture requires credit at reasonable cost. Interest rates of eight or ten per cent or even higher, such as formerly prevailed in parts of the country, cannot be met these days by any large proportion of farmers and ranchers.

## Farm Credit System Established

In an attempt to better meet the credit needs of farmers and ranchers, there has been in process of development over the past 20-odd years a group of credit institutions which together comprise what we now call the Farm Credit Administration. The system started with the establishment of the federal land banks in 1917. The federal intermediate credit banks were added in 1923. In 1933 the system was rounded out by the addition of production credit corporations and associations and the banks for cooperatives.

A complete credit service for agriculture is now available. It includes long-term mortgage credit through the federal land bank system; credit for production and general agricultural purposes through the production credit system which includes the federal intermediate credit banks; and credit for farmers' cooperative business organizations through the banks for cooperatives.

## Characteristics of Farm Credit System

What are some of the characteristics of this credit system? What are some of the things which it was hoped the system would accomplish? What problems does the system face at the present time? These are some of the questions I would like to touch upon briefly this afternoon.

In establishing a credit system for agriculture, we might have proceeded along either of two lines. We might have established a government-owned and operated system depending upon annual appropriations from the federal treasury for operat-

ing expenses and loan funds. Under such a system the amount of funds made available for loans and the terms on which loans were made would have been made subject, of course, to the changing policies of changing national administrations. In such a system farmers and ranchers would have had no voice in determining policies and no voice in management, except such as they might obtain through political action.

An alternative to this procedure, and the course actually chosen, lay in the direction of providing government assistance to farmers and ranchers in developing their own credit system. This system is not dependent upon annual appropriations from the federal treasury for loan funds. Such funds are obtained largely from the sale of bonds and debentures to investors. These securities are not guaranteed by the federal government.

It is not dependent upon the federal treasury for operating expenses. The interest rate which the farmer or rancher pays covers the cost of borrowed funds, operating expenses and a margin for losses and reserves. There is, of course, some government capital invested in farm credit in addition to the 130 millions farmers and stockmen have invested in the system. This was put up by the government to help farmers and stockmen get the system started. This capital has been kept intact and could be recovered by the government if it were decided to liquidate the system. Aside from the use of this capital, and an appropriation to cover the expenses of the Washington office, farm credit is wholly self-supporting.

The system is cooperative in character. Each borrower becomes a shareholder. As a shareholder he has the right to participate in the election of directors who in turn determine policies and select officers to run the system, subject, of course, to the broad provisions of law under which the organization operates.

## How Has the System Worked?

How has the system worked? One measure of service rendered, though not necessarily the most important one, is the volume of loans made. Since organization in 1917, the federal land banks have made approxi-

THE use of credit by farmers and stockmen has increased greatly during the past 50 years. As the use of credit increased, it became more and more apparent that the credit requirements of agriculture could not be met to best advantage by credit institutions primarily set up to serve business and industry. Paying off a land mortgage is likely to be a long drawn-out process. Few farmers or ranchers can expect to pay for their land in five years, yet prior to the establishment of the federal land bank system, few mortgages were written for a longer period of time. Again, while farmers and stockmen require some 60-to-90-day credit for production purposes, the volume of such credit is relatively small. The minimum requirement ordinarily runs from six to nine months—in the livestock industry even longer. Credit extended for a period of time which does not closely correspond to the time required to produce the crop or finish the livestock which is to be sold to pay off the loan, is likely to prove embarrassing sooner or later to both borrower and lender.

In addition to requiring credit on terms suited to the needs of the industry, agriculture requires a dependable source of credit. Private institutions and individuals lend when, where, and as they please. It is to be expected that such sources will tend to dry up during periods of economic difficulty, as they did in 1921 and again in 1932 and 1933. It must also be expected that from time to time private investors will transfer funds from agriculture to what appears to be more profitable forms of investment. This happened to some extent in

mately 900,000 long-term farm mortgage loans for over three billions of dollars. Since organization in 1933, production credit associations have made over 1,250,000 loans for approximately 1.5 billions of dollars. During the same period the banks for cooperatives have made nearly 6,500 loans to cooperative business organizations for approximately one-half a billion dollars.

The effects of the operations of farm credit have been more far reaching, however, than even the foregoing figures indicate. Prior to the establishment of the federal land banks, very few long-term amortized mortgage loans were made in this country. When the federal land banks entered the field, other lenders began to make loans of this type. As a competing group of institutions in the farm mortgage field, the federal land banks have undoubtedly exercised an influence both on terms of loans and interest rates out of all proportion to the volume of loans which they have made.

Much the same thing can be said for the production credit system and the banks for cooperatives. These institutions, like federal land banks, have attempted to fit credits to the needs of farmers, stockmen and their cooperatives, setting up terms of repayment which they can reasonably expect to meet in the normal course of their business operations. Production credit loans, for example, are for the most part disbursed on a budget plan. This procedure not only provides the borrower with funds as needed, thereby assuring him of adequate credit to complete his production operations, but allows him to repay his loan in an orderly manner as the livestock or crops financed are marketed. It also reduces his interest cost to a minimum because interest is charged only for the time the money is actually in use.

In addition to providing a substantial volume of credit on terms suited to the needs of agriculture, farm credit has also undoubtedly had an important influence upon the interest rates which borrowers have had to pay. At the present time the rates of interest charged borrowers by farm credit are, so far as I have been able to determine, the lowest ever made generally available to farmers, ranchers and their cooperatives in this or any other country. The system has enabled farmers and stockmen, through cooperative action, to go into the money centers of the country and borrow on terms of credit equality with business and industry, thus taking advantage of the generally low level of interest rates prevailing in the money markets of the country at the present time.

The development of farm credit has taken place over a period of more than 20 years. By hard work over the years, farmers, ranchers, and their organizations have built up a complete credit service for agriculture—a service which includes long-term mortgage credit, production credit and credit for co-

operative business organizations. In addition to hard work, they have put over 130 millions of their own hard-earned money into the system.

### What Can a Cooperative Credit System Do for Agriculture?

What can the farmers of the country hope to do with this cooperative credit system? What can they reasonably expect such a system to accomplish? Equally important, what are some of the things it cannot be expected to accomplish, and which represent problems which must be met through other agencies and by other means? I would like to list, if I may, a few things which it seems to me such a system can do.

1. If efficiently operated, it can provide for agriculture continuing credit equality with business and industry—credit on terms suited to the needs of farmers and stockmen and at rates of interest that compare favorably with those obtained by business and industry on loans of similar size, running for similar periods of time, and representing comparable risks. The individual farmer or rancher cannot reach the money markets of the country. Through cooperative action, however, he can reach these markets and borrow at rates and on terms which compare favorably with those obtained by business.

2. Such a credit system can provide an alternative source of credit for agriculture. Competition in any field makes for better service at lower cost to farmers and stockmen. This is not intended as a criticism of private financing institutions. It applies equally to farm credit. Too great dependence upon any one agency, whether public or private, is not a good thing.

3. If the system continues to be adequately capitalized and if operated soundly and efficiently, it can provide a dependable source of credit available in hard times as well as in boom times. I need not remind this group of credit conditions which existed in many livestock areas in 1932 and 1933. A dependable source of credit is sometimes almost as important as credit at reasonable cost. Farmers and ranchers cannot shut down operations and wait for better times without going out of business. Hence, the need for farmers and ranchers to have their own cooperative credit system—1921 and 1933 may be repeated in the future.

4. If they function as true cooperatives, the federal land banks, production credit, and the banks for cooperatives can emphasize the farmers' and ranchers' point of view in the credit field. They can make it their job to provide credit for periods and on terms suited to his needs, instead of the lenders' convenience.

### What Are Some of the Things a Cooperative Credit System Cannot Do?

Equally important, what are some of the things which a group of credit institutions

such as those which comprise the Farm Credit Administration cannot reasonably be expected to do?

1. First of all, we must recognize that self-supporting cooperative credit institutions which obtain their loan funds through the sale of securities to investors and which operate upon a narrow and somewhat inflexible margin cannot meet the credit needs of everyone. They can establish reasonable credit standards and serve those farmers, ranchers, and their cooperatives who can meet such standards. If they are to be self-sustaining, however, and if they are to operate on a reasonable margin—which is necessary if interest rates to borrowers are to be kept down—there is a limit to the amount of risk they can assume or the amount of supervision or other assistance which they can give borrowers. They can, however, serve the great majority of farmers and stockmen.

The fact that they cannot meet the credit needs of everyone, does not mean that they are unsympathetic to the needs of individuals whom they cannot serve. The important thing, it seems to me, is to clearly distinguish between the two groups—those who can be served by self-supporting credit institutions, whether cooperative or private, and those who cannot—and to meet their respective needs through agencies designed to handle the problems involved in serving them.

2. A credit institution, regardless of its form of organization, cannot eliminate risks in farming and ranching—risk of crop failures, feed shortages, and low prices—which inevitably make it difficult or impossible for borrowers to meet their obligations during certain periods.

In dealing with problems such as those presented at the present time by areas which have suffered from a series of crop failures or abnormally low prices for farm products, it seems to be most important that we not take steps which might jeopardize farm credit or impair its ability to serve borrowers in other parts of the country or future generations of borrowers in order to meet a present emergency.

I want to emphasize that these statements do not indicate any lack of sympathy with borrowers who are in difficulty, or failure to recognize that they need assistance. The problem lies in working out ways to help borrowers who are in distress through no fault of their own without unduly weakening the system or placing an undue burden upon borrowers in other areas.

3. There is one other point that I would like to mention. We have heard a great deal during the past several years about credit—credit for farmers and ranchers, credit for city home-owners, credit for industry, credit for business. Such is always the case during depression periods. During such periods, farmers, home-owners, and business men find



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themselves in a position where income is insufficient to meet operating expenses, taxes, and debt service charges. The result is that large numbers of individuals who contracted debts during more prosperous times, find themselves facing foreclosure or bankruptcy. It is both natural and proper under such circumstances that we should seek ways and means to avoid the catastrophe that would inevitably result in forced liquidation on a wholesale basis—that we should seek to meet the situation by re-financing a large volume of existing debt over longer periods and at lower interest rates. It seems to me most important, however, that in such a situation we do not come to look upon credit on increasingly favorable terms as a solution to all of our problems. It is important that we do not overlook the fact that farm credit can never be a substitute for farm income. It seems to me most important in seeking a solution to some of our present problems that we do not attempt to accomplish through the use of credit something that we cannot reasonably expect credit to do, thereby loading farmers and stockmen with debt that they cannot reasonably expect to repay, and perhaps weakening our lending institutions to a point where they will not be able to serve future generations of farmers.

### What of the Future?

What are some of the problems facing the Farm Credit Administration at the present time? There are always many problems, of course, confronting such an organization—problems of developing sound credit and operating policies and putting them into operation; problems of meeting emergencies in certain areas; problems of improving credit service to farmers and ranchers and better adapting such service to their needs; and the many problems involved in trying to increase operating efficiency and reduce costs. There is one particular problem, however, to which I would like to direct your attention this morning.

Prior to July 1, 1939, the Farm Credit Administration was an independent federal agency reporting directly to Congress and the President. Under a government reorganization plan which became effective on that date, it was transferred to the Department of Agriculture. Until recently, however, it operated on much the same basis as in the past, the principal change being that the Governor of the Farm Credit Administration reported to the Secretary of Agriculture instead of the President. Recently, however, it was indicated that certain changes were to be made. In an announcement made by a White House spokesman, as reported by the press, it was stated that the Farm Credit Administration was now to be integrated or absorbed into the Department of Agriculture.

In my judgment, the transfer of farm

credit to the Department of Agriculture raises certain questions of vital importance to the farmers and stockmen of this country. The issue may be stated as follows:

Will farmers and ranchers be better served over the years by continuing the Farm Credit Administration as an independent federal agency supervising co-operative credit institutions set up to serve agriculture, or will they be better served by having it become a part of a large department of government responsible for the administration of a great many other programs, some of which, regardless of the intentions of administrators, may tend to weaken or perhaps, ultimately destroy the cooperative credit system, leaving in its stead an out-and-out government owned and operated credit system?

This issue has nothing to do with personalities. The question is simply one as to what form of organization will best assure agriculture a dependable source of credit at reasonable cost over the years to come, without placing an undue financial burden upon the government.

In my judgment, this can best be done by restoring the Farm Credit Administration to its former status as an independent agency of government directly responsible to Congress and to the President—whether it be headed by a governor as at present, or by a bi-partisan board with staggered terms of office as has recently been suggested by a number of farm and livestock organizations.

It can best be done by continued efforts on the part of the Farm Credit Administration in Washington to strengthen and develop the cooperative credit units under its supervision—the federal land bank system, the production credit system, and the banks for cooperatives. We should continue to decrease the emphasis on government and government control and increase the emphasis on the cooperative features and farmer and rancher control.

### Danger of Attempting to Administer Farm Credit with Other Types of Programs

In my judgment there are dangers in the present situation. It is obvious that any co-operative credit system must limit the extension of credit to sound loans and must pursue a sound yet sympathetic collection policy if it is to be self-supporting. By making sound loans I do not mean following a "hard-boiled" lending policy. By a sound loan I mean a loan which the borrower can reasonably be expected to pay off in the normal course of his farming or ranching operations without undue risk of loss and without the lender having to provide a substantial amount of management service or other assistance. Such assistance is expensive. In a cooperative credit system, the cost of providing special service for one borrower must be paid for by the others.

By a sound collection policy I do not mean following a ruthless unsympathetic policy. That has never been the policy of the Farm Credit Administration. If a borrower can pay, he is expected to pay. On the other hand if he is unable to pay through no fault of his own, but has always acted in good faith, kept up his property, and properly applied income above necessary living expenses on his indebtedness, farm credit has gone along with him and tried to help him work out.

I do not believe it will be possible to maintain sound credit and collection standards and keep farm credit on a self-supporting basis over the years if it becomes a part of a large department of government whose major activity is the administration of programs of a greatly different character. I do not mean to imply that present and future administrators will not try to keep farm credit sound. It is not a question of their trying. It is a question of whether or not they can. The basic issue would be the same were the Home Owners Loan Corporation or the Federal Housing Administration to be transferred to the Department of Commerce or perhaps the Department of Labor. In my judgment, it is simply a case of attempting to put into one administrative pigeon-hole two types of programs which cannot, over the long pull, be successfully administered together.

Let me illustrate. The Department of Agriculture is responsible for the administration of programs which provide annually for millions of dollars in direct benefit payments to farmers. It is responsible for making commodity loans which frequently are made at or above the current market value of the product on which the loan is made. It is responsible for making both government loans and direct grants to farmers who require such aid to assist in their financial rehabilitation but who cannot meet the credit standards which must be maintained by self-supporting credit institutions, whether cooperative or private.

I do not believe that programs of this type can be administered along with a co-operative credit system and keep the credit system sound and therefore on a self-supporting basis.

It is going to be difficult, it seems to me, for one agency in the Department of Agriculture, the Farm Credit Administration, to continue over the years to make loans on a business basis while at the same time other agencies in the same department, the Farm Security Administration and the Commodity Credit Corporation, are engaged in making rehabilitation loans and commodity loans on much more liberal terms. It is going to be difficult for one agency in the department, the Farm Credit Administration, to insist upon the repayment of borrowed funds

(Continued on page 50)

# The 1940 Wool Market

By Dean J. A. Hill

University of Wyoming

*An Address Before the 75th Annual Convention of the  
National Wool Growers Association.*

**T**HIS is not going to be a forecast. I am not a crystal-gazer and cannot peer into the future, but if you wool growers will answer one or two questions about your own behavior, the outlook for prices would then be a great deal clearer. These are the questions:

Are the wool growers of the United States going to undersell the British Wool Control Committee?

If so, how much?

The only source of apparel class wool for the next few months outside of the United States is owned outright by the British government and is mainly the clip in Australia and New Zealand. South Africa is about sold out and can have little effect before next fall. There is no tendency to cut prices there. So if prices go below the level which the British government has set, it will be because the growers of the United States have yielded to the superior bargaining ability of the manufacturers and dealers.

I do not know what the answer will be. Many times I have seen the growers of the United States undersell the world market when there was a good demand for wool and thus bring on a period of low prices lasting several months, embarrassing to the forecasters and causing loss to dealers and mills who had bought wool early at higher prices and to clothing manufacturers who had operated on the theory that prices would hold.

What is going to happen this year? Are you wool growers here, who are sure that wool is going higher rather than lower, going to be able to make the market? Or, when you go home, will you yield to the insinuations of your creditors and other business friends that 5 to 6 cents a pound above

the prices of last June is plenty of increase? Will you and your neighbors back home be able to hold out against a flock of rumors such as these: That the British government is cutting prices; that an early peace is coming; that President Roosevelt is going to take over the domestic wool at a low price; that he is going to cut the tariff or make a trade agreement with Australia; that Boston warehouses are being choked with wool from somewhere?

If you are not bowled over by such rumors, can you stand out against the sagging prices which may be brought on by truckers who buy wool cheap from farmers in the Ohio Valley and make quick delivery to the doors of the mills on the seaboard?

If you are sure that the growers can resist all these forces making for lower prices, then you can be sure that wool will not go below its present level and that it will tend to work higher as you and those in charge of selling the British wool realize your power.

It is no secret that many manufacturers and dealers are already operating on the theory that the present price of wool is not going to hold; that the growers are going to sell themselves down the river. Class III wool, the standard fine wool of the West, is now quoted in Boston at around one dollar a pound to the mills. The mills first announced that they expected to buy this grade for 90 cents as soon as the shearing season gets under way. Many have been taking orders for goods on that basis. More recently they are talking 85 cents. They expect wool to be 10 to 15 cents lower on the clean basis than it is today.

Are they making a mistake?

Of course, the action of the growers of the United States isn't the only ele-



J. A. Hill

ment governing wool prices, and so it is worth while to try to get a complete view to see why our growers hold the price control today.

What are the important elements in the present situation? First of all, there is price. Just at present, wool seems to be tending slightly downward, following the rapid decline which came as a reaction to the war boom in September and October. The present market is still about 50 per cent above that of August, but still not so high as in the early part of 1937, when the stimulus of a general war was lacking. Wool was showing a general upward trend last summer. April was the low point of the year, and prices to the growers increased to some extent through May and June.

## Supply

Next is supply. How much wool is there, and who owns it? Is it all easily available to the manufacturers?

In the United States the visible stocks are lower than they have been at any time since 1920, except at the beginning of 1937, and at that time we were having a little wool boom. Supplies are only 10 million pounds greater than then. On account of the

low importations of recent weeks, there is every indication that by April, when shearing becomes general, the mills will be closer to the sheep's back than at any other time in the last 20 years.

Except for the new clip, which is in the hands of the growers, because there has been practically no contracting, and the small amount held by the mills in the process of manufacture, there is practically no wool in the United States. Oh, yes, the dealers have some South African wool, but it is rapidly going to the mills. Outside of the United States, the world supply is normal, and nearly all that has any chance of reaching this country is owned by the British government. So there is no question but what the American flockmasters and the British selling committee control the supply of raw wool.

### Consumption

Changes in the production of raw wool cannot come fast enough to materially affect supplies as compared with possible changes in consumption.

This brings us to consumption as a second important element. In the United States consumption has been comparatively high for two years. For seventeen months wool has been consumed at the rate of nearly 60 million pounds per month. This might indicate that the supply of goods is beginning to back up, either on the merchants' shelves and factory inventories, or the consumers themselves may be satisfied for the time being. So far there are no indications of this. As nearly as can be determined, stocks are low clear through to the retailer. In the three-year period for the years 1935 through 1937, the total consumption of apparel wool was 1,866,000,000 pounds. In the last two years, 1938 and 1939, the total consumption was 1,191,000,000. If the coming year should only bring this second three-year period up to the level of the previous one, 655 million pounds will be needed for consumption. This would require the purchase of 185 million pounds of apparel class wool in foreign markets merely to keep the stocks in the mills up to their present starved condition.

A. W. Zelomek, a noted forecaster who is known to many in this audience, approached the question from another

angle and recently stated that at least 120 million pounds will have to be imported during the year to bring our stocks of apparel class wool to normal. The point is that we are going to have to buy a whole lot of wool abroad and will have to buy it from John Bull, who is a hard bargainer.

The general business situation is a third factor which will affect consumption. When business is good, wool consumption is high. The Federal Reserve Index shows industrial activity higher even than in 1929. There are more unemployed than then, but there are more people in the country. Trained observers everywhere are stating that 1940 will be the best business year since 1929.

### Conditions Abroad

What about conditions in foreign countries? There everything is overshadowed by a war, and war leads to wool consumption far above any business boom in peace time. But war also brings business activity and a general feeling of prosperity which causes civilians to compete with the military for wool, so that it must be controlled by rationing as is being done by the British government. Except for Russia, which has not been a heavy buyer of wool, Germany is the only country shut off from supplies, as long as shipping remains open. If shipping should tighten up, our own mills will be cut off from foreign sources as well as others. This is just another element showing that you wool growers, who control practically all the domestic supply, will operate in a market hungry for wool.

I do not wish to give you the idea that the action of you growers is the only uncertainty in the situation. There are other things which can greatly affect wool, either favorably or unfavorably, which can change rapidly from day to day, and under the modern system of totalitarian or integrated states may be subject to the decision of a few men. One of these is the rate of exchange between countries and the general price level as indicated by inflation and deflation. A war of exchange could break out which would give anybody trying to forecast the wool market, even for short periods, an attack of the jitters. But so far Great Britain has sold her

wool to this country on the basis of our prices in dollars.

A whole group of factors center around the tariff. There are the reciprocal trade treaties, and while that law is on the statute books, there will always be uncertainties which produce a crop of rumors every few months. The President has power to increase or decrease the duty on wool and wool fabrics as much as 50 per cent if he finds through investigation of the Tariff Commission that they are too high or too low to equalize the cost of production. If wool got too high, consumer interests might demand a downward adjustment. Conceivably, even the mills or clothing manufacturers might ask for a downward revision, if they thought you wool growers were holding them up. But the investigation required by law would take time. In the recent bargaining between the American manufacturers and the British government, both Englishmen and Australians suggested that if the manufacturers want cheap wool, they should take off the duty rather than try to beat down the prices of their friends across the sea. However, our manufacturers have nothing to gain by monkeying with the tariff, and the consumer has already passed through higher prices without an unfavorable reaction.

The war itself is a great uncertainty. When will it end? Will it continue to be the slow-moving affair of the first five months, or will it turn into a violent "shooting war" of the 1914-18 type? Economists are beginning to assume that the war will last through the year, and that probably more countries will be involved, with fighting much more active. We all know from past experience that the more active the fighting, the greater the destruction of wool. In 1915 fine wool in Boston went up 16 per cent during the year, and in 1916, 42 per cent.

But so far as the wool situation is concerned this year, I do not think the length or character of the war is a dominating factor. The British wool control lasts for at least a year, war or no war. If the nations stop fighting, they will immediately begin to replenish their stocks of war material,



including clothing. The experience of other countries and our own country in the World War shows that when peace comes there is at first a great wave of optimism which encourages people to buy freely in the retail market. Those who expect peace to bring back the wool prices of August, 1939, will probably be mistaken.

The United States might become involved in war, and the wool would be commandeered at a fixed price, but probably above rather than below current levels.

### *Styles and Substitutes*

Styles have their effect. Not important in comparison to other factors, but at present winter sports favor a greater use of wool, briefer bathing suits, made of varying materials, less. The present style trend in women's wear favors wool.

Then there are substitutes and adulteration. If the consumer finds wool too high, he will turn to other materials, sometimes to his own great discomfort, as in the overall demonstrations of 1920, or less conspicuously when he turned to corduroys and other cotton fabrics in 1932. But here, again, the consumer is not likely to react unfavorably in the best business year since 1929, unless wool gets unreasonably high. More dangerous is adulteration, that is, a considerable number of manufacturers may try to make a small supply of wool go a long way by mixing it with rayon, cotton, and shoddy, which masquerade as the same old wool goods. But as the demand for shoddy increases, it goes up along with wool, and Federal Trade Commission rulings make adulteration more difficult. When Congress passes the truth-in-fabric bill, it will be still more difficult.

However, substitution to the highest level of the past will not relieve the manufacturers of the need of buying all the 1940 domestic clip and going abroad for at least 100 million pounds of foreign apparel wool.

Yet in spite of this, as I said in the beginning, both the buyers and manufacturers in the United States appear to be betting that wool will be considerably lower, after the new shearing

season gets under way. At this season of the year, we naturally expect the wool merchants and mill buyers to be talking lower prices to the growers.

However, actions speak louder than words, and there are several actions which seem to indicate that both buyers and manufacturers expect lower wool in the near future.

### *Buyer Attitudes*

The manufacturers have accepted orders for goods at prices which can hardly yield a profit at the present cost of raw wool. The only alternative guess would be that they are very generously giving their customers the benefit of cheap wool bought last summer. It is certain that if wool went back to the October level, these sales are below replacement costs. Still, the clothing manufacturers are not grabbing at these bargains. They, too, are holding off.

Unless the actions of the middlemen are definitely for the purpose of misleading the growers, they have little expectation of higher prices. They seem to be willing to sell from short stocks at prices which, for the past two weeks, have been tending downward. They are letting the price of pulled wool ease down in spite of the apparent general scarcity. They are not scrambling for the last bit of unsold wool in Texas. They are not rushing around the West trying to get contracts at any price, high or low, so far as is known now.

The top futures market indicates that those who operate in it are expecting prices to be definitely lower than present quotations and that they will tend to get still lower as the domestic clip becomes available. March futures are abnormally low compared to spots, and the summer months are selling below near-by deliveries, while a year ago quotations were practically uniform for contracts from March to October. It must be understood that the futures market does not put prices up or down. It merely represents the balance of opinion, at the time, of those who operate on it, and unexpected events can throw everything out of gear.

Where do the dealers and manufacturers expect to get cheap wool?

Naturally, they expect to get it from the growers of the United States. For the present, at least, they have failed to get cheap wool from the British government, and the indications now are that British wool will tend to be higher rather than lower, unless it has to meet a cut by the American growers. The break, if it comes, will be started by the growers.

You should know what is going to happen better than I, but I doubt if any of us can be entirely certain. The eastern sheep farmers have a good deal to do with price-making in the early part of the season, especially for medium wools. It is doubtful if we here know what they will do. Then there are the Texans, thousands of them, who produce about one fifth of the domestic shorn clip. Are they discouraged because they failed to sell all their fall wool at top prices? Perhaps you Texans here know what will happen at home.

In spite of these uncertainties, I venture the opinion that the dealers and manufacturers have guessed wrong and that you growers will not put your wool on the bargain counter. Last year was a year of free selling, and the wool growers who sold early were taught the hard lesson of losing money by early sales at low prices. Wool got higher as the shearing season progressed. Moreover, there was a little wool left throughout the range states which sold at high prices after the war started. So in almost every neighborhood the wool growers had a taste of blood in the form of 30 to 35 cents a pound for wool. I have heard of no contracts in the West at low prices. I have heard no talk of cheap wool at this convention. Indeed, I should not know where to turn to get contracts as low as the current market in Boston.

Now, in conclusion, let's get down to figures, and I shall give you my opinion of what this means. First, let us be sure that we are all thinking about the same kind of wool. The standard type which is beginning to be used for purposes of price comparisons is Class III wool, that is, the good fine French combing wool or, in other words, fine wool of medium length. What is the price now? Quotations are on a

wide range. In the Commercial Bulletin they are 98 cents to \$1.03, in the wool letter of the U. S. Department of Agriculture \$1 to \$1.02, and in the Daily News Record of New York 98 cents to \$1. According to the quotations for spot tops and the cost of landing wool from abroad, these quotations may be higher than actual sales, or at least on the top side, but, for the time being, suppose we say that the price of Class III wool is \$1 per pound in Boston. That is the price at which the manufacturers are buying from the dealers.

Will this price hold? Will it go higher or lower, and how much? On the basis of top futures, it appears that, after allowing for the usual margins, those who operate on the top market expect it to go down to 85 to 90 cents. The latest prices on wool from Great Britain indicate the possibility that manufacturers could buy equivalent Australian wool at 89 cents plus shipping charges, which would bring it well above 90 cents (96 cents to \$1.01 according to authoritative estimates.) South African wool is at about the 90-cent level.

What will this mean to the grower? One dollar for fine wool such as we have in Wyoming, if it is sold with allowance for the usual margin for cost of selling if consigned, would mean 90 cents clean landed in Boston with the freight paid, or 27 to 30 cents on the grease basis at the ranch, according to shrinkage and method of buying. Will the growers sell for this, or will they go higher? It appears that they can easily hold wool to this price, if they stand firm. Perhaps they can get it up 2 or 3 cents a pound higher without embarrassing the manufacturers, if conditions remain as they are. However, they may be willing to start in selling at 5 cents a pound more than they got last year, which would be 22 to 24 cents for Wyoming wool or around 80 cents in Boston. I cannot tell, and I believe no one else can, just now how these various forces will react, but wool could be sold on the basis of \$1 a pound clean landed in Boston for Class III wool without upsetting anything, and if it sells for less than 90 cents clean landed in Boston the

American growers will probably be cutting under their foreign competitors and making a present to the consumers or the manufacturers of the United States.

## Higher Wool Consumption

THE 1939 consumption of wool by American mills was 18 per cent higher than in 1938. The total in 1939 was 660 million pounds on the basis of greasy, shorn weights. This figure includes pulled wools, but not carpet wools.

Shorn wools used in 1939 amounted to 551,336,000. Of this, 484,769,000 was home grown wool, and 65,000,000 was imported. The year's consumption of pulled wool was equal to 88 million pounds of shorn wool in the grease, and of this 16 million pounds was imported.

The table shows the United States production and consumption by years since 1930. In both cases, pulled wools are included, and the total is on the basis of the equivalent of shorn wools in the grease.

Wool Production and Consumption 1930-39

|           | Production  | Consumption | Per cent |
|-----------|-------------|-------------|----------|
| 1930..... | 414,029,000 | 447,900,000 | 81.2     |
| 1931..... | 442,401,000 | 545,200,000 | 89.6     |
| 1932..... | 418,096,000 | 439,800,000 | 95.0     |
| 1933..... | 438,352,000 | 572,200,000 | 94.0     |
| 1934..... | 430,829,000 | 381,400,000 | 90.4     |
| 1935..... | 430,667,000 | 713,347,000 | 94.8     |
| 1936..... | 426,527,000 | 618,478,000 | 83.6     |
| 1937..... | 432,809,000 | 524,363,000 | 72.7     |
| 1938..... | 436,510,000 | 514,410,000 | 91.8     |
| 1939..... | 425,000,000 | 660,000,000 | 87.0     |

## Cold Weather Aids Sales Of Woolen and Worsted Apparel at Retail

A LARGE retail distribution of woolen and worsted apparel continued to be reported over the week ending February 2, owing to the excessively low temperatures prevailing in nearly all parts of the nation, according to the New York Wool Top Exchange Service. Further ordering of apparel came into the clothing market and there was some picking up of additional lots of piece goods here and there, together with a deferment of

cutting operations which normally would now be swinging into spring lines on a heavier scale. Piece goods markets as a rule, however, were rather limited in volume since some delays have occurred in laying down repeat orders for spring and in anticipating needs for fall men's wear lines.

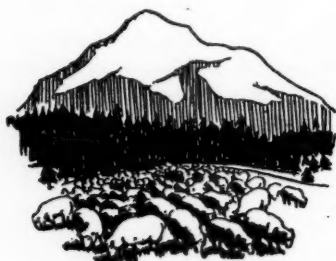
The Exchange Service further states:

In men's wear lines some additional buying of overcoatings has been reported. In suitings, however, trading has been slow during the week. Mills have supplied initial fabric needs of customers, with rather keen competition, but additional ordering is not coming through in important amounts at the moment. Prices generally remain firm and some manufacturers who held back in hope of a rising price trend on expanding demand are still refusing to meet the market level. In regard to fall lines, some mills appear to have obtained more than their normal share of the business placed so far, but hesitancy marks the attitude of sellers generally in regard to naming price advances which most of them consider necessary in order to cover the higher production costs of new materials as compared with carried over supplies. A heavy distribution continues in heavy coats, mackinaws, meltons and other descriptions with the exception of higher price range clothing, which currently is rather dull.

A fair demand for women's wear fabrics was reported during the week together with an improved amount of buying for immediate and spring needs in southern areas. A good business was also reported for immediate needs in the North. Twills and soft wools are reported of chief interest at the moment in suitings, with coverts also of interest. In coatings, oatmeal tweeds, herringbones, large plaids and pastel checks are currently being emphasized. Spring suits and topcoats have been attracting more attention, while the exceptionally cold weather through the country has resulted in a continued demand for heavy coats.

Fall knitting plans in underwear, hosiery and outerwear are about completed by manufacturers. Some lines of outerwear in both staple worsted and wool numbers as well as novelties have been opened for the new season, and the reports so far are of salesmen having good results. In hosiery the makers of bundle wool socks have been offering lines for several weeks past to wholesalers and other distributors such as the chains and mail order houses. Advance selling has been better in this merchandise than for several years, as inventories have been reduced by the exceptionally cold weather. Lines of finer wool socks also are now being offered for the next fall season. In underwear, mills are just on the point of opening fall lines. It is taken for granted that prices will be higher by a considerable percentage.

# National Wool Marketing Corporation



## News Bulletin

*Grower Owned and Operated*



**I**T is extremely difficult to find a valid reason for the sagging tendency in the domestic wool market. Very little domestic wool of any sort has found a market since January 1, 1940. This is partially due, no doubt, to the sold-up condition as applied to domestic wool. Not in the last decade has there been so little domestic wool available.

In the month of September values of average, fine, and fine medium territory wool reached \$1.05 per clean pound or better. This proved to be about 10 per cent above the clean price at which the English government released the first consignment of Australian wool for sale to the United States. The price named by the English government reflects a clean cost of about 94 cents to \$1.04, landed New England mills, and it is estimated that our domestic manufacturers and merchants have purchased the bulk of the 75,000 bales of fine wool released to this country, at an average cost of about \$1 clean. There has been quite a lot of fine wool from South Africa and South America, purchased substantially below the price named for Australian wool of similar quality. Much of this wool costs no more than 82 cents to 90 cents clean, landed Boston. Needless to state, it is the importation of fine wool from the Cape and South America that has checked our domestic market. The South American market has been exceedingly active of late and prices have been advanced sharply. It is now calculated that 75 per cent of the South American clip has been sold. As a result of the participation in the South African wool auctions by buyers for the British and French governments, that market has also registered advances to the extent of about 8 cents to 10 cents per clean pound. The latest market developments in South America and South Africa have placed all foreign markets on the same price basis as that named by the English government on Australian wool. For this reason it is difficult to explain a sagging tendency and lack of activity in our domestic market while all foreign markets are rising and some markets are quoted as excited.

### *Summer Street Foreign Wool Minded*

Because of the availability of a limited amount of South African and South American fine wool at very reasonable prices, duty paid, our manufacturers have become quite foreign wool minded, and they cannot be criticized, for

when fine wool graded and skirted, already prepared for the scouring vat, is obtainable at less cost than similar grades of domestic wool, that requires a much heavier conversion cost than the foreign wool, the result is inevitable. There is a strong possibility, however, that the effect of the importation of rather a limited amount of this cheap fine wool has had too great an influence in our market on the down side. It seems very certain that at the present rate of consumption, not more than two or possibly three months' supply has been imported into this country. It is equally certain that future stocks of foreign wool, whatever origin, will cost the equivalent of the English up-set price, which is as above stated, 94 cents to \$1.04 clean landed, duty paid. It seems, therefore, that to attempt to quote the price of domestic wool at 80 cents to 83 cents, landed mill, is carrying the joke a little too far.

### *Domestic Manufacturers Combing Wool For Foreign Accounts*

A recent development in eastern manufacturing textile centers is of considerable interest and is indicative of the great activity in the textile industry of England, France and other European countries that are evidently running night and day, turning out war material. It is estimated that as much as a million pounds of tops are now being combed in New England for foreign accounts, principally Mexico, Canada, Sweden, and Switzerland. It is thought that all this wool from whence the tops are made, is South American, and either combed in bond or re-exported after 99 per cent of the duty paid has been returned. This, of course, is a temporary condition, for the textile manufacturing centers of England and France are qualified to take care of their normal requirements in the way of manufactured woollens, and in addition thereto, turn out large quantities for use in other European countries.

### *England Releasing Additional Quantities of Australian Wool for American Use*

An additional 50,000 bales of Australian fine wool has recently been allocated to the United States by the British government at the same price established upon the first



75,000 bales released. This makes a total to date of 125,000 bales of fine wool from Australia or about 36 million pounds. It should be borne in mind, however, that because of the very light shrinkage of this Australian wool, the amount of clean wool secured from this consignment would be equivalent to the amount of clean wool that would normally be secured by the manufacturers from the purchase of about 60 million pounds of domestic wool of comparable grade.

There is much speculation as to future consignments to the United States of Australian wool by the English government. Those who choose to take a bearish attitude claim that there is no assurance that England will not continue to dump fine wool upon our markets, even beyond our normal requirements. This element support their line of reasoning by theorizing that the English government is exceedingly anxious to build up dollar credit in the United States, and will do so even though it necessitates naming lower up-set prices. This line of reasoning would appear to be rather far-fetched, as England already has a tremendous amount of credit in the United States running to billions of dollars that could be converted to her use in purchasing war materials much more rapidly than the cumbersome, slow process of forcing wool into our markets. Those of a more optimistic frame of mind are of the opinion that England will be inclined to make us pay all that the tariff will stand and that no substantial reduction of the present up-set price could be made without interfering with her definite pledge to the Australian wool growers as to the guaranteed price.

Inasmuch as the Australian clip is to be handled by the English government for the duration of the war and one year thereafter, it would seem that the domestic growers could reasonably well be assured of foreign importing parity if an intelligent system of marketing the 1940 clip is employed. We interpret foreign importing parity at the present time, based on the English up-set price, to be about 90 cents, clean landed mill, Boston, for Class 3-4, fine and fine medium, original bag territory. Reducing this to a grease equivalent would mean about 31½ cents sold Boston for average fine wool shrinking 65 per cent. There is a difference of nine tenths of a cent per grease pound for every one per cent variation in shrinkage.

#### *Australian Growers Catering to Domestic Manufacturing Needs*

Evidence is not lacking that the Australian wool growers, through their recognized selling agencies, are catering to the desires and requirements of our domestic manufacturers. They not only cause their wool to be graded and sorted according to the mill requirements, but they go much farther and permit many of the largest users of fine wool to take their Australian wool, work it through our mills, and settle upon the clean yield secured from the manufacturing process. While the Australian growers are doing everything in their power to make their commodity as accessible as possible to our manufacturers, our domestic growers seem to be going in the other direction. The foreigners are placing their wool, so far as government regulation will permit, spot so that the manufacturers can take

delivery promptly, while the domestic growers, more and more, seem to desire to keep their wool in the West and assume an attitude that the manufacturers will come after it if they want it badly enough. It is our firm belief that, with the keen competition from foreign wools recently developed, our domestic wool should not only be spot in Boston, but prepared as efficiently as possible for the manufacturers' use.

#### *Statistical Position Very Strong*

To illustrate the statistical strength of wool today, we need but mention that in the year 1939, we consumed in the United States the equivalent of 660 million pounds of grease wool, while we produced, after adding the packers' pull, the equivalent of about 425 million pounds. This leaves a deficiency of about 200 million pounds, which, if normal consumption is maintained during the year 1940, will again apply. This is sufficient cause for the domestic market in the months to come to be maintained at full foreign importing parity if the growers see to it that an orderly system of marketing is employed. We are informed by the top makers that specifications and deliveries upon orders in hand are very good. This would strongly indicate that there are no burdensome stocks of semi-manufactured material anywhere along the line between the manufacturer and consumer.

#### *1940 Clip Now Being Sold Short*

There is one very disturbing factor, however, in the otherwise fairly secure position of the wool market. For the past weeks, the top futures market in New York has been constantly declining until March delivery is quoted at about 98 cents, while next July and October is quoted slightly less. Operators on the futures market have in the last few days offered and sold Class 3 wool comparable to Texas 12-months, at 83 cents clean, which we estimate to be about 10 to 15 per cent less than foreign importing parity. The manufacturer buying this wool is interested in only one thing and that is the wool that he knows will be delivered to his mill at this guaranteed price. He is fully justified therefore, in selling his finished product in New York upon a basis of 83 cents clean wool. It is very evident that no other manufacturer can pay more for his wool and compete. In this manner, operations on the top futures, while not generally used by the manufacturers, tend to establish the market upon the lower basis. It will be recalled that as much as 50 per cent of the 1939 clip was owned by either dealer or manufacturer before shearing began. It will be interesting to note the extent to which the 1940 clip will be sold short. The activity of operators on the futures market and the freedom with which they sell the '40 clip for June and July delivery will govern largely the price at which the clip will be taken at shearing time.

Some authorities still quote the domestic market at 90 cents to \$1 clean for fine wool; others quote in the range of 80 to 90. There is, however, insufficient trading to establish a market. It is our opinion that the domestic clip will be needed at full importing parity before the close of the present year.

# Auxiliary Work



Mrs. Robert Naylor

**I**T IS indeed a pleasure for the ladies of the Women's Auxiliary to attend this convention in Casper, Wyoming, being held during the seventy-fifth year of the organization of the National Wool Growers Association.

During that seventy-five-year period, we know that there were many battles fought on many different issues, as the result of the ever-changing methods of operation, and ever-changing demands upon the wool growers of this nation. As we look back to the leadership of the past, and recognize their ability and integrity, we cannot but appreciate and respect the present leaders of this organization, who today so nobly, and with unselfish hearts, and generous pocketbooks, conduct the affairs and guard the many interests of our business.

The ladies of this convention are now enjoying the eleventh annual meeting of the Women's Auxiliary to the National Wool Growers Association.

You should admit that we were a factor in the sheep business prior to

organization in 1930, our work before that time being of a local nature, but today we are functioning with active state auxiliaries promoting the use of wool and lamb, with our best efforts. Our national meeting brings together the delegates from the state organizations, and it is an assembly for gaining information and knowledge on how to further the interests of all wool growers in a sane and helpful promotion of lamb and wool sales.

Some states offer cash prizes for cooking contests among the high school home economics classes, along with lamb preparing and cooking demonstrations; some promote radio talks and programs featuring the superior quality of woolen wearing apparel, as well as the eating qualities of savory and tender lamb meat. All state auxiliaries feature the sticker, "Eat More Lamb," and they never miss a chance at state and county fairs to have hand-knitted, or hand-made woolen goods on display. We are sure that the increase in the last few years of home-knitted suits, sweaters, dresses, etc., has materially helped in the consumption of wool in this country.

We wish to offer to the National, and the various state wool growers' associations, the full help and cooperation on any problem in which we may assist in furthering the interests of the industry.

Our plans for the coming year include: increasing our state memberships; a closer connection with the National Livestock and Meat Board's advertising campaign; effective planning with the 4-H clubs and the home demonstration leaders, as well as various educational programs.

By Mrs. Robert Naylor,

President Women's National Auxiliary

Statement Made to the 75th Annual Convention of the  
National Wool Growers Association

We of the Women's Auxiliary are deeply grateful to the Casper Ladies Committee, for arranging such a delightful entertainment program, keeping in mind that most of us enjoy the program of your convention, and our own.

We tender the wool growers of Wyoming, the citizens of Casper and your good state, our very deep and sincere appreciation for the sound business meetings, educational programs, warm and hearty welcome which you have so genuinely extended to all of us.

## Mary's Lamb at Convention Time

**T**HE following original poem is a contribution of the mother of one of the Idaho ladies, Mrs. Mary F. Treadgold.

Mary had a little lamb  
Its fleece was white as snow  
It followed to conventions  
Where all lambs like to go.

When sheepmen made wise speeches  
And were greeted with "hurrah"  
The lamb just nodded acquiesce  
And gaily bleated "baa-a."

He followed to the banquet board  
To see his kin's crown roast  
His kind had paid for this display  
'Twas everybody's boast.

He followed to the dancing floor  
The music trilled "tra-la"  
But when Mary got to cutting up  
He loudly bleated "ma-a-a."

He followed to that upstairs room  
Looked on with puzzled fright  
To see the lads and lassies  
Appease that appetite.

# With the Women's Auxiliaries

## National Auxiliary Meeting

**T**YPICAL western hospitality hit a new high when Casper, Wyoming, residents acted as hosts to the Diamond Jubilee sessions of the National Wool Growers Association, January 23, 24, and 25. Playing a conspicuous part in the program of events were the wives and delegates to the 11th annual meeting of the National Women's Auxiliary, which was held in connection with the convention.

From the time when Mayor J. Frank Cowan presented the key to the city of Casper, to R. C. Rich of Burley, Idaho, president of the National Association, until the curtain came down on the final act of the convention, "Welcome Wool Growers" were the passwords. The convention itself was a fitting climax to 75 years of outstanding service to the wool growing industry.

Mrs. Thomas Cooper, quiet-spoken and charming head of the ladies' entertainment committee, together with her able committee, saw to it that visiting ladies were well provided for socially. Some of the events which were planned and carried out so well were the luncheon at the Crystal Room of the Gladstone Hotel and the afternoon tea and reception at the Women's Club House.

Approximately 200 women attended the luncheon at the Crystal Room where the setting was one of conversation, of soft, sweet music from a 14-piece orchestra, and of floral loveliness and candlelight. Mrs. Thomas Cooper, in charge of the entertainment, was the afternoon's toastmistress. She presented Mrs. P. J. Quealy, president of the Women's Auxiliary to the Wyoming Wool Growers Association, who also welcomed session guests. Mrs. R. C. Rich of Burley, Idaho, wife of the national president, responded to an introduction with courtesy remarks, as did the national auxiliary president, Mrs. Robert Naylor, of Emmett, Idaho.

Novel individual guest favors were placed at each cover. They were made

Material for this department should be sent to the National Press Correspondent, Mrs. Emory C. Smith, 1636 Princeton Avenue, Salt Lake City, Utah

by a well-known Casper artist, Ruth Joy Hopkins, and were parchment letter holders picturing Wyoming sheep scenes. In each were rolls of sample woolen blankets, tied with satin ribbons. The program, in addition to favorite songs played by the orchestra, featured a talented local soprano, Mrs. C. J. Lynch. She was accompanied by Miss Ellen O'Conner at the piano. Later in the afternoon a handsome Pendleton shawl was awarded to Mrs. Roy Spurlock, holder of the winning number on a raffle.

The afternoon tea and reception officially opened the entertainment schedule for the visiting women and more than 119 guests, a delegation of national, state, and local officers, were greeted by hostesses Mrs. Thomas Cooper, Mrs. M. L. Bishop, Jr., Mrs. Monte Robertson, and Mrs. B. B. Brooks. Center of interest in the reception room was the large golden harp placed in front of the fireplace, which was played at intervals by a guest artist, Mrs. Lee Miller. In the dining room guests were received by Mrs. James Speas and Mrs. Albert Rochelle. Assisting them were Virginia Baskett, Jean Marie Speas, June Bishop, Patsy Brooks, Mary Cronin and Mrs. Emmett Osborne.

Tea favors, which were sachets made to resemble tiny sacks of wool bearing brands of various Wyoming ranchers, were pinned on guests by Miss Virginia Davis.

The tea table was prettily decorated with a lace cover and a centerpiece of talisman roses, fern and baby's breath, from which ivory tapers extended, casting a mellow glow over the scene. Pouring were Mrs. B. B. Brooks and Mrs. C. P. Johnson, Mrs. P. C. Nicolaysen and Mrs. Mark Davis.

A breakfast on the morning of the closing day of the convention brought the social activities to an end. More than fifty guests were entertained at the Townsend Hotel at this event.

Though the auxiliary meetings were poorly attended, it was felt that considerable good was accomplished. A resolution was passed to the effect that a scholarship of \$200 be given by the National Auxiliary to the 4-H Club girl who does a specified course of work with woolens, to be exhibited at Chicago. This contest will be carried on in every state in the union and will result in much advertising for wool.

Another resolution was framed asking for representation on the National Wool Marketing Committee.

An amendment to make clear the auxiliary by-laws referring to votes and membership was prepared by the revisions committee and was passed by the board of directors.

Money-raising activities were confined to the selling of chances on a Pendleton shawl, donated by the men's association of Oregon, at the ladies' luncheon, and the sale of wool toys and chances on a Pendleton blanket donated by Mrs. Robert Naylor, National Auxiliary President. From the sale of chances on the shawl, \$42 was realized, Mrs. Spurlock of Casper, Wyoming, holding the lucky number. The sum of \$71 was cleared from the sale of wool toys, which were sold at \$1 each, together with a chance on the blanket. This should have been much more had plans been made earlier and it was decided in an executive committee meeting that hereafter, some person from the national president's state should have charge of the money-making part of the convention, and all plans be made ahead of time.

## Oregon's Work in 1939

Following is a brief report of work accomplished by the Oregon Auxiliary during the past year:

Oregon had 204 members in six active chapters, during 1939. They held four wool



exhibits, had Christmas windows to show woolen articles as gifts, exhibited wool and lamb in parades, and sold many chances on wool blankets. Nine children were sent to summer school on scholarships won in sheep clubs and lamb cooking demonstrations. These amounted to \$100. The state auxiliary gave four prizes on wool dresses and suits at the state fair. These awards were based on the percentage of woolen material in the garments shown. Eleven special lamb show awards amounting to \$5 each were also given. These awards were not given to high or second-place winners but to those farther down the line that have worked hard with what they had, the prize money to be used to buy better breeding stock.

One noteworthy project was the selling of \$700 worth of woolen merchandise at the Pacific International Stock Show. This included almost 100 dozen wool toys and 39 dozen wool neckties. The auxiliary cleared \$150 on this and promoted a state-wide lamb cooking contest with this money and a donation from Safeways. However, the teachers were not very interested and very few schools entered the contest.

A very good convention in Oregon at Burns in Harney County, was held. A new chapter was organized while we were there and it was decided to continue all the club work started earlier and add some more. The projects include: A new class for crossbred lambs, the funds to be given by Grant and Morrow County chapters; a \$10 special prize for a lamb feeding contest; and a special gift to the champion lamb owner at the Pacific International Stock Show.

We sold almost 13 dozen wool ties at the convention and found we could sell enough to make funds for the year's work, also sold toys made of wool.

We had a large attendance at every meeting and came away from that convention leaving a very good feeling with the men's association about the value of our work and our good organization.

We have been invited to attend meetings held over the state by the new president of the Oregon Wool Growers Association and this will give us an opportunity to organize new chapters in other counties.

Mrs. Ralph I. Thompson, President  
Oregon Wool Growers Auxiliary

## Meeting of Morrow County Auxiliary

**E**LECTION of officers was held at the January meeting of the Morrow County Wool Growers Auxiliary with Mrs. Philip W. Mahoney, president; Mrs. Garnet Barratt, vice president; Mrs. B. C. Pinckney, secretary;

Mrs. Hubert Gaily, treasurer; Josephine Mahoney, corresponding secretary; Mrs. Harold Cohn, past president.

Mrs. Philip W. Mahoney was appointed delegate to the state convention at Burns, with Mrs. Garnet Barratt, alternate.

Mrs. Ralph I. Thompson, state president, sketched some of her plans for the state convention and told of the movies in colors which Mrs. Herman Oliver of John Day was to show of the sheep industry from the coming of the lambs through to the shearing.

The Morrow County Auxiliary expected to have five articles on exhibit at the convention, including a hand-made afghan belonging to Mrs. W. H. Cleveland, a hand-knit dress of Mrs. Charles B. Cox, a sweater belonging to Loyal Parker, a rug loaned by Mrs. Lillian Smith, and a needlepoint pillow top.

A White Elephant party followed the meeting with a merry exchange of gifts and reasons why. Luncheon and meeting were held at The Lucas Place with 18 present.

The February meeting of the Morrow County Auxiliary was at The Lucas Place, with 28 attending. Mrs. Harold A. Cohn presided in the absence of Mrs. Philip W. Mahoney, president, who was ill. A report made by Mrs. Mahoney, delegate to the state convention held in Burns, was read by Mrs. Cohn.

Mrs. Ralph I. Thompson, Oregon State President, delegate to the National Convention at Casper, Wyoming, gave her report of the convention.

The auxiliary voted to give \$5 to the infantile paralysis fund.

A matter of interest presented at the meeting was the crossbred lamb scholarships for the state fairs. This is more or less in the nature of 4-H Club work. It is planned that Morrow and Grant counties will unite in sponsoring it.

Some discussion was had concerning the running of lamb recipes in the local paper each week and having the pupils in the home economics classes familiarized with pure wool materials, but no action was taken.

Stickers for letters promoting the use of lamb and wool were also discussed with favor.

Josephine Mahoney,  
Corresponding Secretary

## What Causes Mutton Flavor

**M**UTTON flavor has been the focal point of many a discussion in lamb raising and merchandising centers for decades past, and many ideas have been advanced as to its cause and correction.

In "The Meat We Eat," a recent publication by P. Thomas Ziegler, professor of animal husbandry at the Pennsylvania State College, the results of a series of tests conducted by the author to ascertain the whys and wherefores of mutton flavor very definitely discard a lot of the old theories, and particularly the one that it arises from contact with wool. Mr. Ziegler states:

The peculiar mutton flavor characteristic of some yearlings and many aged sheep has been ascribed to:

1. Slow dressing—the flesh absorbing the gases formed in the intestinal tract.
2. Improper dressing—allowing the fleece to come in contact with the dressed carcass and soiling it with dung.
3. Age—the absorption of the wool oil by the fat.

To offset the absorption of gases, it is a practice in some countries to force water or air into the intestinal tract through the rectum.

A series of interesting tests were made by the author consisting of the following:

1. A lamb was bled and left hanging with the fleece on for several hours until it was well bloated before it was eviscerated. After aging for seven days under refrigeration, some rib chops were taken from the carcass and broiled. Result—no mutton flavor.
2. A lamb carcass was rubbed with the wool side of the pelt. Result—no mutton flavor.
3. A lamb chop from a carcass previously tested for mutton flavor (absent) was suspended in a jar that was then filled with gas drawn from the rumen of another carcass. The chop remained in the gas-filled jar for 12 hours. Result—no mutton flavor.
4. A similar chop was rubbed with extracted wool oil. Result—an objectionable flavor but different from the characteristic mutton flavor.
5. A rib chop from each of ten aged Merino ewes was broiled. No mutton flavor (likewise no fat).
6. The fat from three fat yearling show wethers was fried. Result—no mutton flavor, in fact it tasted somewhat similar to bacon fat.
7. Was served two lamb chops in a restaurant. Result—mutton flavor and no way to tell what caused it.

# Around the Range Country

## WESTERN TEXAS

Mild weather during the forepart of the month, and again just at the close, was favorable for livestock, but the comparatively severe cold weather of the second and third weeks was hard on all cattle and sheep. Some losses occurred, and considerable shrinkages were reported, because the range forage was badly dried out or exhausted in some localities. Livestock average in fair to good condition as a general rule.

*Stephenville*  
(Erath County)

Bad weather and feed conditions abound (January 27), much worse than in the two or three previous years. The number of sheep on feed is just about the same as last year's.

No contracts are being made on 1940 wools and I think they will be sold as they are shorn in most instances. There is a tendency, too, I find, for the buyers to find a good many faults with the wool clip, all for the purpose of beating the price down. To offset this line of talk is one of the present problems of the sheepmen of this section.

We have not been troubled with coyotes for a number of years. We made war on them by means of trapping and poison and have them pretty well cleaned up now.

Bose Reader

## ARIZONA

A cold snap during the second, and especially the third week, was hard on livestock in exposed circumstances; but as precipitation in the form of snow was not heavy, there was ample forage available, and livestock are mostly in good condition, in all parts of the state. The forepart of the month was rather warm, and the last week was one of the warmest of record. The state in general is in need of more rain or

snow, to promote growth in the south, and to provide moisture for drink in the north.

## NEW MEXICO

The first half of the month was mild and fine for livestock, but much colder weather the rest of the month was detrimental, causing some shrinkages, and partly because of the driving winds, caused many losses in a few localities. Heavy feeding was reported during the cold weather. Owing to poor range forage, especially in the west-central portion, the condition of livestock as a rule is only fair to good.

*Flying H*  
(Chaves County)

The winter has been a very open one, with no extremely cold spells. Stock water remains plentiful and good (January 10). Alfalfa hay is selling at \$15 a ton.

A few more ewes were bred this season than last as more ranchers held over the aged ewes and ewe lambs that are ordinarily sold. In the case of lambs kept for stock ewes, I think the increase over the number held back last year is well over 25 per cent.

Opinion here is not at all favorable to transferring the Forest Service to the Department of the Interior. Neither do we like the present method of tariff-making; we believe that all tariffs should be handled by Congress and not through reciprocal trade agreements engineered by any one person.

A. Clement Hendricks

## COLORADO

Mild weather early in the month, and again just at the close, was favorable for livestock, but colder weather in between, especially during the third week, was detrimental to livestock on the range. Snows were frequent and rather heavy at times, over the eastern portion, and there was plenty of moisture over the western portion. Shrink-

*The notes on weather conditions, appearing under the names of the various states in Around the Range Country, are furnished by J. Cecil Alter of the U. S. Weather Bureau and based upon reports and publications for the month of January.*

*The Wool Grower welcomes and desires communications from interested readers in any part of the country for this department of the Wool Grower and also invites comment and opinions upon questions relating to the sheep industry and of importance and significance to wool growers.*

ages were general and definite during the cold weather, and much heavier feeding was necessary; but as a general rule, the herds survived with no substantial damage done, and are again in fairly good shape.

*Arlington*  
(Kiowa County)

For the first time in ten years the range has been completely covered with snow since January 1 and all stock are being fed (January 25). We can get alfalfa hay at \$12 a ton. Stockmen are having difficulty in hunting up feed, which is scarce in most places, and getting it to their stock.

I haven't heard of any wools being tied up under contract and believe that most growers will hold the clip for higher prices.

Coyotes haven't given us much trouble here for a number of years now.

I think all tariff-making should be handled by Congress.

R. J. Pollock

*Wild Horse*  
(Cheyenne County)

We have had snow on the range since December 23 and an unusual

amount of feed has been used since the beginning of the new year; more than in any January since 1931. Hay is costing us \$11 a ton in the stack.

Nothing has been stirring here in regard to the 1940 wool clip. Most of the growers of this district, however, consign their wool, although a few of them think they do better by selling it at home.

Coyote numbers have been creeping up on us the past year or so, due to the very low price for furs, which does not encourage hunters to go out after them.

But the most important problem before the growers, in my opinion, has to do with the present tariff situation. It is my firm belief that the uncertainty of the tariff on wool coming from other countries has brought about lower prices for both wool and lambs in the last two years than economic conditions warrant. Tariff rates should be handled through bills passed by Congress.

Dan S. Pearce

### Redvale

(Montrose County)

We have had the best weather in six years; winter feed on the range in this section is very good (January 30) and less supplemental feeding has been necessary than in the last two or three years. The prevailing price on alfalfa hay in the stack is \$8 a ton.

From present indications, most growers appear to be inclined to hold their wool, looking for higher prices. And we need such higher prices. We have higher costs of operation to meet each year and unless the price of lambs and wool advance accordingly, which they have not done up to the present, it is going to be very difficult for sheepmen to stay in business.

There have been no trappers working in this area and coyotes have been increasing.

Prevailing opinion here is that the national forests and public domain should be administered by different departments.

Jacob Plutt & Sons

### Delta

(Delta County)

Dry and not very cold weather prevailed here during December and continues at the present time (January 8). Feed is short and spotted on the winter range and stock water is also low. Hay is selling around \$8 a ton in the stack.

I think sheepmen kept over a few more ewe lambs last fall than in 1939, but there is no increase in the number of ewes bred.

Sentiment here is strongly in favor of keeping the Forest Service in the Department of Agriculture and also of having Congress handle all adjustments of tariff duties through regular legislative procedure.

A. J. Osborne

### UTAH

The first and last weeks were mild, but the middle fortnight was colder than normal. Precipitation, mostly in the form of snow, was heavier than usual, this being one of the wettest Januaries of record at a number of places. Moisture has been available in the form of snow, at convenient depths, generally over the winter range areas. Domestic livestock and some other animals are on feed, but feed is plentiful. Most livestock are in fair to good condition, after suffering some shrinkages during the cold weather.

### Manti

(Sanpete County)

Feed is not as good as in other years on January 1 and snow is needed very badly; it seems to be a thing of the past. Some sheepmen are feeding their stock at this time and others are not. Ten or eleven dollars is being paid for alfalfa hay in the stack.

I have not heard anything about prices for 1940 wools so far, but I think most of the producers will be rather inclined to hold for much better prices than were paid early last year.

Free trade is the most troublesome thing facing the wool growers, as I see the situation; I am a high tariff man, it can't be too high for me.

Coyotes are being held down where the trappers are working. The chief

difficulty is that there are not enough of them to cover the ground.

W. T. Hall

### Woods Cross

(Davis County)

Federal regulation of grazing, it seems to me, is one of the sheepmen's most perplexing problems at the present time. The use of the public domain, at least where grazing is concerned, should be supervised by the states rather than the federal government.

I am opposed to the reciprocal trade agreement way of handling the tariff and think we should go back to the old method of having adjustments made, when necessary, through legislation by Congress.

Range conditions are very poor (January 30) and alfalfa hay is selling at \$14 a ton in the stack.

There are more coyotes than a year ago, which is due, in my opinion, to inefficient methods used in trying to exterminate them.

No offers have been made yet on 1940 wools.

Hatch Bros. Company

### Mt. Pleasant

(Sanpete County)

The weather has been good since the first of the year; some rain and enough snow to get the sheep out on what feed there is. About 50 per cent more sheep are being fed supplements (January 29) than a year ago. Alfalfa hay is \$12 a ton in the stack.

While there has been no activity in connection with the 1940 wool clip, the growers around here seem to have in mind a price nearly double the 1939 price at shearing time. We have to demand a price for our products or we never get it.

The most perplexing problem of the wool grower today is how to get a fair return on the capital invested and his labor. Sheep raising is a hazardous business, considering predatory animals, poison, drought and general losses, and we are taxed on every dollar of capital invested. Compare that situation with a doctor. He isn't taxed on what it cost him for education, although that

(Continued on page 53)



# The Lamb Markets

## Chicago

LAST October stability camped in the lamb market and has squatted there ever since. The routine is a 15 to 25-cent variation in prices each week. The top at Chicago alternates between \$9.15 and \$9.50; on the rank and file of winter fed lambs the variation is narrow. Dressed trade is similarly static, wholesale prices rarely varying to exceed one cent per pound.

Contrariwise fat cattle values flop around 50 cents to 75 cents weekly. Lambs are equal to a better performance than hogs, which dropped to the lowest levels in six years, \$5 to \$5.50, Chicago, for the bulk late in January. Killers are open to the suspicion of supporting the hog market around current levels, but a difference of \$4 per hundred between swine and lambs makes this impossible in the latter case. Processors are taking on each week just enough lambs to supply their trade; they are wriggling out from under an avalanche of lambs, making strenuous effort to absorb the entire crop.

To what extent excessive pork production this winter has adversely affected either the live or dressed lamb market must be left to conjecture. Competent men on both sides of the trade consider a dollar as conservative, which is equivalent to a \$9.50@10 market all winter. Cattle feeders and beef-house bosses anathematize the flood of hog product distributors are battling. When a housewife can buy two and even three pounds of pork, cured or fresh, for one of lamb, economy dictates the former. At Chicago and New York, fresh pork loins dropped to 9½ to 11 cents per pound wholesale late in January; retailers tucked on 20 per cent and then the public had access to the cheapest meat in many years. Chain stores played up all kinds of pork from feet costing 5 cents per pound retail to tenderloins worth 25 cents. Dressed lamb retailed in the carcass concurrently at 17 to 18 cents a pound; tops, 19 cents. Retailers were not interested in pushing ovine product, putting their selling energy behind pork loins, bacon, hams and a

score or more of ingenious preparations, canned and otherwise cooked—merchandising devices to which neither lamb nor mutton is adapted. The nation went on a pork-eating jag; not content with monopolizing the industry, the American Institute of Meat Packers announced a coast-to-coast pork sausage selling campaign all through February. The National Live Stock and Meat Board got busy coincidentally with a gigantic boost for pork and lard.

Packers are getting results with their pork selling efforts, effectively holding stocks of that meat down, while a huge if not unprecedented jag of lard is piling up. Their policy is not to put an ounce of hog meat in storage that can be forced into immediate consumption, realizing that any surplus of necessity carried into the summer merchandising season, will be ample. Urging consumers to eat more pork means negative prompting to consume less poundage of competing goods.

However, the entire winter crop of lambs has been absorbed without difficulty. Packers, who have accumulated heavy wool inventories, will not be in a position to figure profit or loss until wool has been cashed, although they have maintained pelt credits at the same figure all through the season, \$2.50 per hundred, live weight of the animal. They penalize fresh shorn lambs about \$1 per hundred, which suggests preference for the unshorn type, and buy fall shorn stock, lambs or yearlings, critically, the growth of wool meanwhile determining the price. Present wool credits have saved the day for the rank and file of feeders, few of them shearing.

Lambs over 100 pounds have been variously treated. On short runs, killers take them at a parity with lighter stock; otherwise they get punishment. Winter supplies carry a large percentage weighing 98 to 102 pounds, while 85 to 95-pounders are rare. Favorable weather since last September has insured maximum gains. Corn did not

## Comparative Prices Live and Dressed Sheep and Lambs

### CHICAGO AVERAGE LIVE LAMB PRICES

| Week Ended:               | Feb. 3, 1940 | Jan. 27, 1940 | Feb. 4, 1939 |
|---------------------------|--------------|---------------|--------------|
| Spring Lambs:             |              |               |              |
| Choice <sup>1</sup> ..... | \$ 9.26      | \$ 9.44       | \$ 9.32      |
| Good and Choice .....     | 9.06         | 9.20          | 9.02         |
| Medium and Good .....     | 8.52         | 8.65          | 7.98         |
| Common .....              | 7.28         | 7.40          | 6.64         |
| Ewes:                     |              |               |              |
| Good and Choice .....     | 4.70         | 4.65          | 4.60         |
| Common and Medium .....   | 3.32         | 3.30          | 3.38         |

### NEW YORK AVERAGE WESTERN DRESSED LAMB PRICES

|                           |         |         |         |
|---------------------------|---------|---------|---------|
| Choice—38 lbs. down ..... | \$15.80 | \$16.80 | \$18.15 |
| Good—38 lbs. down .....   | 15.30   | 16.30   | 17.40   |
| Medium—All weights .....  | 13.45   | 14.15   | 15.95   |
| Common—All weights .....  | 12.35   | 12.90   | 14.50   |

<sup>1</sup>Closely Sorted

soar as was confidently expected: at this writing, 45 to 48 cents is the price range, which nullifies high cost of feeding lambs last fall compared with winter fat prices. Feeders' margins are narrow, but both lambs and yearlings have been more profitable than cattle and there is scant prospect of a substantially lower stocker market. One hundred per cent of farmers feeding lambs this winter are satisfied with the operation and will be in the replacement market next fall; as much cannot be said for steers, few of them keeping the investment together.

A large percentage of the January lamb supply earned \$9.15@9.40, Chicago basis; at western points the market was fully as high in a relative sense. Yearlings, mostly Texas-bred, selling in a range of \$7.50 to \$8, have also paid out, the price depending on growth of wool subsequent to shearing. Between scarcity and cold weather, sheep—old ewes—are worth 50 to 75 cents more than at the turn of the year, realizing \$4.50 to \$5.25.

The January fat lamb market did not live up to its advertisements. Slaughter was of seasonal volume; distribution outlets were promptly cleared with no evidence of sacrifice sales. Lamb did not figure in "leader" events, chain stores playing up the cheaper meat without relaxation. An \$8 hog market would have recorded a different story, but the fact is apparent that, at irregularly recurring intervals, an overdose of pork is inevitable. Export outlets are practically closed, the South is dumping excess production into northern markets and neither lamb nor beef can buck such competition successfully.

Colorado and Nebraska fed lambs are moving and will determine prices the rest of the season. East of the Missouri River, western lambs put on feed last fall will be missing by mid-February. Feeders are fearful that weight will get a jolt later and are cashing as close to the 100-pound line as possible. Winter condition has never been better, buyers frequently guessing weight wrong, which accounts for overweights. Practically no second-hand lambs have gone back to the

country recently, everything coming being eligible to the meat rail.

Sometime during February and March a \$10 lamb trade is possible. Colorado put in a considerable number of light lambs last fall, which will string them out. The Arkansas and San Luis valleys are short of their seasonal quota, a bullish argument. No wheat pasture lambs are due from western Kansas, but the Texas panhandle is bundle feeding on an extensive scale, a slow finishing process that is expected to deliver thousands—variously estimated—toward the wind-up. The popular estimate in that area is 40,000 head, which will not make a ruffle on the surface of the market pond.

Both California valleys, Sacramento and San Joaquin, report normal lamb crops with satisfactory physical conditions to date. But you never can guess impending meteorological conditions thereabouts. On California results, spring lamb prices depend over a long period.

Tennessee and Kentucky had a prolonged cold spell in February, necessitating taking flocks off wheat pasture, but beyond setting lambs back two or three weeks, no damage has been done. Missouri, which has been getting into the sheep business recently with both feet, will market probably 25 per cent more lambs than last year, Lespedeza is responsible.

Interest in breeding stock is at high pitch. Sales volume is restricted by lack of material to do business with. In Montana two-year-old ewes are selling in a limited way around \$10.50 per head to go to North Dakota, which promises to go on a lamb-raising basis. Kentucky and Tennessee are buying ewe lambs at \$9.25 per head; yearling ewes at \$9.50 in Montana for current delivery. A rise of grass in April will accentuate demand for breeding stock over the entire corn belt.

J. E. Poole

## Denver

RECEIPTS in January totaled 99,926 head, an increase of 3,750 over the same month a year ago. Colorado furnished three fifths of the supplies; however the decrease in num-

bers on feed in this state was felt on the market, and because of no noticeable upturns in price trends, lambs were held back wherever possible.

Fed woolled lambs at Denver the past month of January closed 20 cents per hundred lower than opening values. The month started out with a \$9 FPR top and wound up with \$8.80 FPR.

Prices dropped off during the middle of the first week in January to an \$8.60 FPR top on January 4, making for the low spot of the month. A gradual strengthening took place from then on to January 11 and 12 when a top of \$9 FPR was again reached.

The second low period occurred between January 13 and 17 when best lambs topped at \$8.75 FPR. From then on another rise occurred when \$9 FPR was again reached for best lambs between January 18 and 22. The following three days, January 23, 24 and 25, was the high time of the month when a top of \$9.10 FPR was paid for many carloads. It might also be added that January 25, in addition to being the peak-of-the-month-price day when \$9.10 FPR was paid, was also the heaviest day of receipts of the entire month with nearly 7,000 head in the yards.

From January 26 on through January 30 prices again nose-dived to equal the previous low time of the month of \$8.60 FPR, which occurred before on January 4. A 20-cent upturn in prices from the day before came on January 31.

Feeding lambs sold on a fairly steady basis all during January, ranging from \$8.25 to \$8.60, and an average on the 18 carloads sold of \$8.48. Many small trucked-in lots of feeders were taken at \$7.35 to \$7.85, with most sales at \$7.50 to \$7.75. Carloads of feeding lambs originated in the states of Colorado, Wyoming, New Mexico and Idaho.

Trucked-in fat lambs sold in a range of \$7.50 to \$8.60 in January, with the bulk of sales at \$8 to \$8.50.

Most carloads of fat ewes originating at points in Colorado, Wyoming and Idaho sold from \$4 to \$4.60 flat basis. Trucked-in ewes were cleared at mostly \$3.75 to \$4.25 for the better grades

and from \$2.25 to \$3.50 for the common to medium kinds.

In the shipments of nearly 73,000 head of sheep and lambs out of the Denver market during January, there were 20,500 head of feeder lambs sold on and through the market, which went to feed lots located from Colorado to Illinois. This left around 52,000 head of fat sheep and lambs that were shipped out to many slaughtering points between Denver and the Atlantic Coast.

Local slaughter last month totaled 24,626 head of sheep and lambs, which was about 5,000 head under that during January a year ago.

R. C. Albright

### Kansas City

A 60-cent range, from \$8.65 to \$9.25, covered the movement in lamb prices the first month this year. It was a typical January market—no extreme high prices and no extreme low prices, quality considered, and the trade operated under fairly good orders. Killers held good orders. However, they were inclined to operate with some degree of caution, owing to the fact that government estimate of the supply on feed was slightly larger than a year earlier. There has not been enough volume in the movement in the past thirty days to indicate that the government estimate will stand up.

In Kansas City January was the coldest first month in any year. The mean temperature for the month was 12.3 degrees. The former low average mean temperature for January was established in 1912 at 16.7 degrees. In addition to the low temperatures, snow that fell early and throughout the period in the area east of the Rocky Mountains, remained on the ground up to the close of the month. The few sheep and lambs that were on wheat fields in Kansas, Oklahoma and Texas had to be marketed or turned to different feeding positions. Notwithstanding this necessity, receipts in Kansas City fell considerably short of January, 1939. This leads to the opinion that the government figures of supply on feed, in the winter wheat belt, are materially too large. Kansas

was credited with a 23 per cent decrease, Texas with a 10 per cent increase and Oklahoma with a 43 per cent decrease. Wheat-field lambs in all three states have been shipped, leaving farm-feeding and a few commercial feed lots with the remainder. The central and northern corn belts probably have more lambs than a year ago, but to date marketing does not indicate any material increase.

December closed and January opened with a \$9.10 top. The next ten days there was a 35-cent decline to \$8.75. This was followed by a rally of 50 cents which uncovered a \$9.25 top on the 19th that held for seven consecutive days. However, on Monday, the 29th, killers broke lambs 50 cents, took off another dime the next day and on the last day of the month added 10 cents to bring the top to

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\$8.85. In the last eleven days the price movement covered a wider range than in the first 21 days of the period.

Fat sheep prices fluctuated only 25 cents and most of the time quotations were well above December. Fat ewe top ranged from \$4 to \$4.50, mostly \$4.25 to \$4.50, and fed yearlings were largely on a \$7.25 to \$7.85 basis. Some fresh shorn yearlings and two's turned at \$6 to \$6.75.

Comparatively, few well-finished lambs were in the month's supply. Texas, Oklahoma and Kansas lambs in the average, were not up to last year's level. Nebraska and Colorado sent in some well-finished kinds and in most cases they commanded a premium over other offerings. New Mexico lambs are beginning to show fair finish. Weights thus far have been relatively heavy. Either feeders sorted out and marketed the heavy lambs or lambs were strong weights when they went on feed.

Prices for both lambs and sheep the past month were very close to those in January, 1939. The top in January last year was \$9.15 and the low top was \$8.65. This compares with an \$8.65 low and a \$9.25 high this year. Ewes made \$4 to \$4.50 tops in both months, and yearling top in January, 1939, was \$7.75, a dime short of the past month. February prices last year were about the same as in the preceding month and this year they are expected to be equally as good, if not better than in the second month last year. The wool market is in a better position than a year ago, and employment conditions are considerably improved. However, low pork prices may be a drag on other meats in retail channels.

January receipts were 109,828, compared with 126,734 in the first month last year, a decrease of 16,911, or slightly more than 13 per cent.

C. M. Pipkin

## Omaha

**I**N MANY ways the fat lamb market for the past month was similar to that for January, 1939, indicating that the factors determining prices and char-

acter of the supply were, with the exception of the war, mainly seasonal. Killer lamb prices again stayed close to \$9, and only a down turn during the last three days caused the market to register a loss of about 25 cents for the month.

Receipts of sheep and lambs were 120,380, a decrease of 1,810 from the total for January, 1939, but around 19,000 more than came during December. It was almost entirely a fed woolled lamb market, of course, with the bulk of them coming from commercial feeding areas in western Nebraska, Colorado, and Wyoming.

Although wool markets were uneven, they continued to provide support prices for lambs on the hoof. Dressed markets were, on the whole, in good condition. It seemed that changes in receipts from one week to the next had most to do with price movements, for when the market swung upward to \$9.25@9.45, lambs went on the rails in numbers such that prices usually turned downward. A drop to \$8.75 shut off supplies and prices again moved upward.

The matter of extra weight again lurks around the corner whenever a buyer and a salesman dicker, but so far there hasn't been the surplus of lambs that would allow buyers to apply penalties to loads averaging 100 pounds or more. Quite a few feeders seem to have resolved to avoid the danger of such penalties, even though mild weather brings temptation to keep the lambs on feed.

There are several conditions that could develop and cause the fat lamb market to not repeat the advance made as the fed lamb season moved along last year. One would be a market gain in receipts, and another would be losses in the wool market. There are signs that the wool market will not provide as much backing as it has since last fall. Still another consideration is the fact that prices of stock ordinarily tend to hold the same position relative to each other, and thus far lamb prices have not shared the losses taken by cattle and hogs.

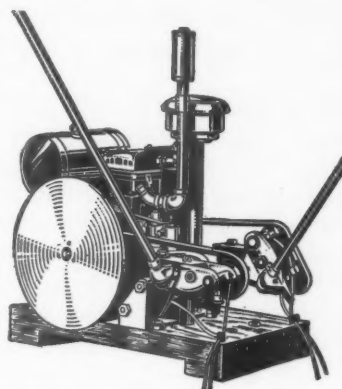
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## St. Joseph

January, it took a down turn lasting three days or more to affect feeder values, so prices consistently were a prop under the killer market. Feeder top ranged from \$8.90 down only to \$8.65, and showed a gain of about 15 cents for the month. Choice quality lambs weighing about 65 pounds continue to be the kind wanted most, but generally they aren't to be had and the country is taking lambs weighing 75 pounds or more. Good demand for feeders should continue during the weeks to come, barring any sustained down turn in the fat lamb market.

The outlook for the ewe market is rather uneven. With spring not far away, the country demand is more and more for ewes showing plenty of lamb and in good condition. The ewe that lacks the condition to sell well to packers, and that is bred to lamb late, is the kind for which it seems the going will be hardest. Apparently there are no more ewes than usual on feed, and prices of killers should make seasonal gains.

Ray Burley

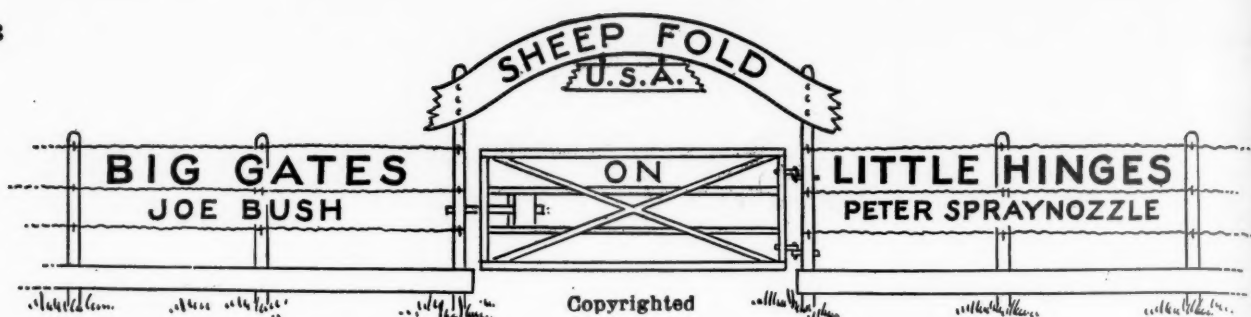
**R**ECEIPTS for January were 94,700 compared with 77,186 in December and 94,063 in January a year ago. Of the month's total, 25,047 came from Texas and New Mexico, 13,079 from Colorado, 8,166 from Nebraska and 12,952 from Kansas. The lamb market for the month was uneven from day to day and closed around 25 cents lower. The high point of the month was \$9.35 on best fed westerns, and the closing top was \$8.90. Natives sold at \$8.75 on the extreme close. Fall clips from local territory sold up to \$8.25 late in the month, and Texas lambs sold at \$7.60. The top on woolled lambs from Texas and New Mexico usually ranged 15@25 cents under local and western fed kinds. Fat ewes closed around 50 cents higher, with best Nebraskas at \$5 on the close. Other aged sheep show little change for the month. Fall clipped yearlings sold late \$7.25@7.50 with twos around

\$6.50, and old wethers quoted around \$5.50.

H. H. Madden

## Auction Prices of Fat Lambs at Denver Show

**A**T THE auction sale of fat sheep and lambs held in Denver January 17 during show week, the grand champion lamb shown by Keith White of Lexington, Nebraska, was sold to Howard Dougherty of Craig, Colorado at \$2.05 per pound, at a weight of 85 pounds. The grand champion carload of fat lambs exhibited by Frank H. Means of Saguache, Colorado, was sold to Swift & Company at \$15 per hundred, averaging 94 pounds per head. The grand champion carload of fat ewes belonging to Brice & May of Wheatland, Wyoming, was sold to Swift at \$5.50 per hundred, averaging 107 pounds per head.



AS WE write this for the February number of the National Wool Grower, the month of January, with its state and national wool growers' conventions, has been written into the history of 1940 events. The citizens of Casper and the members of the Wyoming Wool Growers Association can well be proud of the grand way in which they entertained the visitors and delegates to the Diamond Jubilee of the National Wool Growers Association.

We, the American people, looking over "our garden of tomorrow," find ourselves on the threshold of an election year, an election to which the people are pinning their hopes. And back of every hope there is a candidate with a promise. Moses, looking over Jordan before turning his "party" over to Joshua, saw no greater promise land than the United States in an election year.

In this election year of 1940 many of the dividing lines of the two old parties will disappear. There may be a conflict between youth and age: youth will be looking forward to the new and age will look and cling to the traditions of the past. Youth has the courage, the faith, the vitality to go forward to discover the new; try new ventures; scrap the old. Age will be content to jog along, "Let well enough alone," travel the old trails. Joe Bush says yesterday is a canceled check; tomorrow a promissory note. Today is today with cash in hand.

As we speak here of youth and age, we do not use the yardstick of years. The years may be many or few; some are old at twenty, others young at eighty. It's the spirit, the heart, the mind within, not the form without, by which we measure youth and age. The late Senator William E. Borah never put on the mantle of old age. From the day he entered public life as the Senator from Idaho, he carried the banner of youth. He looked to the future; he lived in the blaze of the great today. The mournful "might-have-been" was but the echo of a yesterday that had been lived and used. He lived and worked in the great today and laid the rocks of a solid street on yesterday's untrod grass; a builder of those buildings wherewith the builder also grows.

Und then like Joe Bush says, one night when the sun was low and the train of time as the schedules show was slowing up at the station gate and the clock hand pointed at the hour of fate; when the love and the laughter that lived in him were hushed in the corridors quiet and dim; then someone whispered, "The end is near." I wonder where did he go from here?

I, Peter, who write this column don't know the answer to that "where-did-he-go-from-here" question. But of this I am sure, that somewhere in Idaho there is a youth, on a farm, on a sheep or cattle range, in a store or office, maybe

in a schoolroom, a youth as unknown today as William E. Borah was unknown in Idaho forty years ago, who will find his inspiration in the useful life of Senator Borah; who will build on the moral forces of right and justice; who will offer freedom to those who have the courage to accept it and the will to live it.

Slavery is for those who live in the shadow of fear; freedom for those who have the courage to carry the flag of liberty. To the youth of today, as to the youth of every generation, there is a frontier with opportunities for those who will take up the responsibilities of life and bring to them happiness, success and that contentment that goes to those who have the courage to fit themselves for the job at hand.

In a democracy such as the United States of America the important places in industry or politics do not go to the sons of the men who held them yesterday. The monument built at the head of Main Street to commemorate grandfather's memory was not placed there because of something a grandchild did.

Legislation can be a help or a hindrance to those who are engaged in useful and gainful employment. The commodity of labor cannot be sold at a long price on a bankrupt market, and the idea that the commodity of labor, or the products of the range or the ranch can be sold at cost while the industrialist and the farmer collect a profit from the government is just plain political hooey; a political promise dedicated to a proposition that won't work.

The United States may be lost in a political wilderness without a "pillar of fire by night," or a "cloud by day" to point the way, but there will be no going back to the fleshpots of Egypt. Youth will blaze the way and the way is straight ahead. Und on that trail of today that opens the way for tomorrow, those who are young in mind, heart and soul will lead the way.

Und in this "land of now" between the "might-have-been" of yesterday and the "vague maybe" of tomorrow, the voters, you in your small precinct, I in mine, have just as much of a responsibility to our government as the men in the halls of our National Congress or our state capitols.

We are Americans; none have the right to compel us to vote for an individual or a principle to which we are opposed. If we are cheap, shoddy Americans, we can place ourselves on the auction block, sell our citizenship for a little pelf or place and power, or stagger to the voting place blindfolded by political prejudice; or we can as citizens vote to keep alive the United States of America, and no President, no Congressman, no Senator, no Governor has a greater privilege than that.



## Sheep and Lambs on Feed

January 1, 1940

THE number of sheep and lambs on feed January 1, 1940, in the principal feeding states was about 3 per cent larger than the number on feed January, 1939, it was reported recently by the Agricultural Marketing Service. The estimated number on feed at the beginning of this year was 6,000,000 head compared with 5,823,000 a year earlier with 5,997,000 head 2 years ago, and with 5,558,000 head the 5-year (1933-37) average.

The number on feed was larger at the beginning this year than last in both the corn belt and western states. The number in the 11 corn belt states was estimated at 3,311,000 head, compared with 3,149,000 head a year earlier, an increase of 162,000 head or about 5 per cent. The number this year was about the same as on January 1, 1935, which was the peak year for feeding in these states. The number in the eastern corn belt states was about 47,000 head larger this year than last, with increases in Ohio and Michigan, a decrease in Indiana, and no change in Illinois and Wisconsin.

In the western corn belt the number this year was 115,000 head larger, with increases in Minnesota, Iowa, Missouri and Nebraska with no change in South Dakota and a decrease in Kansas. The number in Nebraska was larger this year than last; in the Scottsbluff area the number was up about 20,000 head and in the balance of the state it was larger by about 40,000 head. The decrease in Kansas was largely in the number on wheat pastures, little wheat pasture being available for finishing lambs this year.

The largest decreases were in Colorado and Oklahoma. The estimated number on feed in Colorado this year was 925,000 head compared with 1,105,000 head a year earlier. The number was smaller than last year in all of the feeding areas of the state except the Western Slope, with the largest relative decreases in the Arkansas Valley and the dry land area. The total for Colorado was the smallest since 1927.

Earlier in the season it seemed probable that the number fed in the western states would be smaller this year than last. And although the number on feed January 1 is a little larger than a year earlier, the number fed throughout the winter feeding season is expected to be smaller during the 1939-40 season than during the 1938-39 season.

Up to January 1 weather conditions were generally favorable for feeding operations in all areas and lambs are reported to have made good gains. Because of the rather early movement of feeder lambs into the corn belt this season, it is expected that marketings of fed lambs from the corn belt in January and early February will be relatively large.

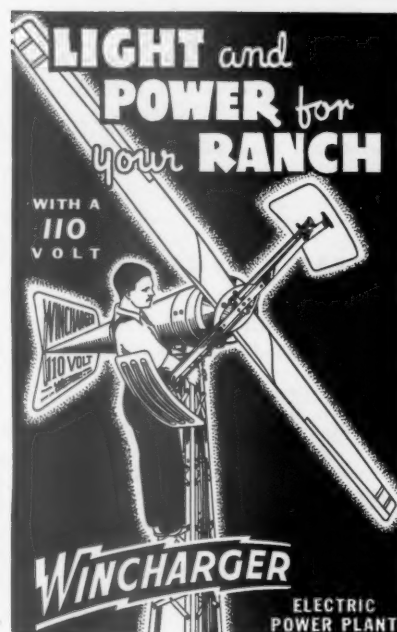
The accompanying table shows the estimated number on feed January 1, by states for the years 1939 and 1940:

### SHEEP AND LAMBS ON FEED<sup>1</sup>

By States as of January 1, 1939 and 1940

| State                           | Jan. 1,<br>1939 | Jan. 1,<br>1940 |
|---------------------------------|-----------------|-----------------|
| New York .....                  | 45              | 45              |
| Ohio .....                      | 324             | 375             |
| Indiana .....                   | 206             | 190             |
| Illinois .....                  | 280             | 280             |
| Michigan .....                  | 250             | 262             |
| Wisconsin .....                 | 82              | 82              |
| Minnesota .....                 | 245             | 300             |
| Iowa .....                      | 470             | 530             |
| Missouri .....                  | 150             | 170             |
| South Dakota .....              | 212             | 212             |
| Nebraska .....                  | 600             | 660             |
| Kansas .....                    | 330             | 250             |
| Total Corn Belt, 11 States..... | 3,149           | 3,311           |
| North Dakota .....              | 84              | 94              |
| Oklahoma .....                  | 98              | 55              |
| Texas .....                     | 210             | 231             |
| Montana .....                   | 215             | 300             |
| Idaho .....                     | 210             | 196             |
| Wyoming .....                   | 245             | 300             |
| Colorado .....                  | 1,105           | 925             |
| New Mexico .....                | 65              | 141             |
| Arizona .....                   | 9               | 15              |
| Utah .....                      | 144             | 153             |
| Nevada .....                    | 12              | 15              |
| Washington .....                | 41              | 37              |
| Oregon .....                    | 70              | 58              |
| California .....                | 121             | 124             |
| Total 14 Western States.....    | 2,629           | 2,644           |
| Total United States.....        | 5,823           | 6,000           |

<sup>1</sup>Includes sheep and lambs on feed in commercial feed lots.



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**National Farm Credit Policy**

(Continued from page 31)

when other agencies in the same department, the Agricultural Adjustment Administration and the Farm Security Administration are engaged in making benefit payments and direct relief grants which need not be paid back.

I do not believe such widely divergent programs can be successfully administered in the same department of government over a period of years. Each has its place. I am not suggesting that other programs be changed or eliminated. Many of them have been and are most helpful. However, I do not think you can tie them together without weakening—perhaps even ultimately destroying—the cooperative credit system.

If the development of farm credit into a strong, self-supporting, cooperative system, is to be continued, it is essential that farmers, investors, and the general public clearly distinguish between loans made by farm credit and government loans which involve a substantial element of relief, or at least high risk and extremely heavy supervisory costs. Otherwise, it seems to me that over the years, farm credit will be gradually forced to depart from sound policies, even though there be no present intention to do so and even though the changes are gradual, operating expenses and the cost of loanable funds for use in financing farmers and stockmen will increase. Such an increase eventually might make necessary annual federal appropriations for operating expenses and losses or some form of government guarantee if credit is to be provided at interest rates comparable with those obtained by homeowners, business, and industry. The Farm Credit Administration would then become more and more a government-owned and operated credit system, leaning heavily upon the federal treasury for support with all the dangers such a situation would hold from the standpoint of both farmers and taxpayers.

**Importance to Farmers of Keeping Farm Credit System Sound**

If the cooperative credit units which comprise the Farm Credit Administration are not kept sound, they cannot be made self-supporting. If they are not self-supporting, they will necessarily be dependent upon the federal government for funds. If a point should be reached where the government is called upon to supply or even guarantee loan funds for agriculture, it is reasonable to suppose that the government will determine how much in the way of loan funds are to be supplied or guaranteed. It is also probable that under such circumstances the government would assume full control of the system. Instead of a dependable source of

credit controlled by farmers, agriculture would find itself dependent upon the attitude and policies of changing national administrations. Future administrations may not always be sympathetic to the needs of agriculture.

**Statements Made Not to Be Construed as Criticism of Other Farm Programs**

The statements I have made concerning other programs of the Department of Agriculture are not to be construed as indicating any lack of sympathy with such programs. Many of them have proved most helpful to farmers. It is recognized, of course, that there are deserving farmers who cannot meet sound credit standards, but who may be assisted in re-establishing themselves as self-supporting members of the community through the use of emergency or rehabilitation loans of one kind or another. Other agencies such as the Emergency Crop and Feed Loan Section and the Farm Security Administration have been established to meet the needs of this group and are doing so within the limits of available funds. Because the Farm Credit Administration cannot serve them, indicates no lack of sympathy or understanding of their problems. The proper approach to the problems of this group is through strengthening the services of other agencies, not through taking steps which may weaken the credit standards of the Farm Credit Administration.

Neither do I mean to reflect in any statements I have made upon the good intentions of present or future administrators. It is not a question of the merits of other programs to aid agriculture or the intentions of present or future administrators. The question is whether farm credit can be kept sound and self-supporting if it becomes a part of, or is popularly identified with a department responsible for the administration of programs of a greatly different character.

I do not think it can be done over a period of years. I do not mean to infer that sudden pressures will develop or that sudden changes will be made. I do not believe, however, that essential distinctions can be maintained over a period of years and through changing national administrations.

**Withdrawal of Capital From Farm Credit Units**

One recent development should be mentioned. On January 4 of this year in a message to Congress submitting the budget for the fiscal year beginning July 1, 1940, the statement was made that it is believed that the capital funds of various credit corpora-

tions established by the federal government can be reduced by 700 millions. This item is apparently included in estimated treasury cash receipts for the next fiscal year.

So far as I can determine, figures are not available as to how much of the 700 million total is to come from units of the Farm Credit Administration. A hasty review of the capital structure and financial condition of various corporations in which the government has invested capital would indicate, however, that a substantial amount—perhaps as much as one-half of the total—might have to come from these credit agencies. In other words, if the federal budget goes through in its present form it appears that the federal land banks, the production credit associations, the banks for cooperatives and the federal intermediate credit banks may be called upon to pay back into the treasury a substantial part of the capital which the government has invested in them. The cash so paid in, presumably would be available for all kinds of general governmental expenditures.

The whole proposal raises a number of serious questions from the standpoint of farm credit. True, the statement is made that in certain instances—and this would apply to most farm credit units—the funds recalled would be paid into a revolving fund and "will be available for new subscriptions to stock when, as, and if needed."

But suppose the money is paid in and spent for any of a hundred purposes. The budget for the next fiscal year as presently constituted brings the national debt extremely close to the 45 billion debt limitation. Will the debt limit be raised, if necessary, in order to make funds available for reinvestment in these institutions if they should be needed? Will the government increase taxes to do it or cut appropriations for other purposes? If so, why not do one or more of these things now?

And can the various units spare a part of their capital? Of course we don't know yet how much they are going to call upon them to give up. This in itself is strange, to say the least, and raises a question as to how the 700 million figure was arrived at. Were the various credit units consulted as to how much capital, if any, they could spare?

Regardless of the answer to the latter question, in my judgment the withdrawal of any substantial amount of capital will place the units of farm credit in a position where there is a distinct possibility that their obligations—federal land bank bonds the federal intermediate credit bank debentures—may at some future time have to be guaranteed by the government, particularly if money conditions should tighten up. Government guarantee of the obligations of these institutions would, in my judgment, be the first step toward an out-and-out government owned and operated credit system.

One other question. What about the

farmer or rancher who purchased stock in a production credit association, the federal land bank system or a cooperative which owns stock in a bank for cooperatives? The government put up a certain amount of capital. The farmer or rancher put up a certain amount. Now the government comes along and proposes to take out a substantial part of its capital. True, the capital paid back goes into a "revolving fund" but the cash is not set aside in a trust fund. It is mingled with other funds and may be spent. It is hoped, of course, it can be replaced if needed, but can the farmer or rancher be sure? If the government is going to raise the debt limit, increase taxes or cut other items in the budget to replace the money later, why not do it now?


What kind of a position is the farmer-stockholder in? The earnings of the corporation in which he owns stock will be decreased by reason of the withdrawal. Worse still in certain corporations, if losses should develop to a point where capital is impaired, his pro rata share of such losses will be increased.

The federal land banks, the production credit associations and the banks for cooperatives have tried, through careful operation, to conserve their capital—both the government's investment and the investment of farmers and ranchers. They have done a pretty good job. Take the production credit associations, for example. They have 120 millions of government capital subscribed for in 1933. Since that time they have made loans to farmers to the amount of approximately 1.5 billions and the government's capital investment is still intact. In fact, if these organizations were to be liquidated tomorrow they would pay out at more than 100 cents per \$1 invested. Can it be that they are to be rewarded for the good job they have done by having a substantial part of the government's capital investment withdrawn and spent for any one of a hundred different purposes? Have they, by chance, saved their cake so that somebody else can eat it?

It seems to me that the transfer of the Farm Credit Administration to the Department of Agriculture, followed by the apparent intention to withdraw a substantial amount of government capital from the system represents two steps in the wrong direction—steps which in the long run will prove to be toward complete government ownership and control of the system instead of in the direction of greater decentralization of operation and greater control by farmers and stockmen.

#### *Savings Not Likely to Result from Closer Integration of Farm Credit with Agriculture*

It does not appear probable that any substantial saving to the government or farmers can be effected by closer integration of



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farm credit with the Department of Agriculture. The Farm Credit Administration is largely self-supporting. The net annual cost to the federal government of operating the system, aside from interest on the funds which the government originally invested to help farmers get the system started, is less than 50 cents per \$1000 of the total gross assets. Even this could probably be absorbed by the district credit units and thus make the system wholly self-supporting, if after study, it appeared desirable to do so.

It may be stated that the government's capital investment in the system is intact and could be recovered in the event of liquidation.

## Business and Industry Have Independent Credit Agencies—Why Not Agriculture?

The Reconstruction Finance Corporation, which serves business and industry, and the Home Owners' Loan Corporation and the Federal Housing Administration, which serve city home-owners, were brought together July 1, 1939 under a reorganization plan what is now known as the Federal Loan Agency. This is an independent agency of government which reports directly to the Congress and the President, as the Farm Credit Administration formerly did.

Business and industry are also served by credit institutions under the supervision of the Federal Reserve Board. This also is an independent agency, reporting directly to the Congress and the President.

It would appear as logical to have transferred these credit agencies serving home-owners, business, and industry to the Department of Commerce or some other department of government as to have transferred the Farm Credit Administration to the Department of Agriculture.

If business, industry, and city home-owners are entitled to federal organizations whose sole activity is handling credit or supervising credit institutions serving their needs, why not agriculture? Isn't the supervision of institutions with over 3 billion dollars of loans a full-time job?

After all, the principal job of the Farm Credit Administration is not the lending of government funds, but the supervision of a group of self-sustaining cooperative credit institutions in which the farmers of the country have over 130 millions of their own hard-earned money invested. These institutions obtain most of their loan funds from the sale of securities to the investing public. These securities are not guaranteed by the federal government. It has long been an established principle of government that supervisory agencies such as the Interstate Commerce Commission, the Federal Reserve Board, and similar organizations should not be under a department of government, but should report directly to Congress and the

President. The Farm Credit Administration falls in this category.

## Farm Credit of Substantial Service to Agriculture Over Past 20 Years

For a period of over 20 years, the farmers and stockmen of the country have been working to develop, on cooperative principles, a credit system designed to meet at all times the sound credit requirements of agriculture on terms suited to its needs and at the lowest cost consistent with business operations. The government's part has been primarily that of helping farmers help themselves.

Substantial progress has been made. It may be summarized as follows:

1. A complete credit service for agriculture is now available. It includes long-term farm mortgage credit, production credit, and credit for farmers' cooperative business organizations.

2. Credit has been made available on a business basis at reasonable cost. The contract rates of interest now being charged by farm credit are the lowest rates ever made generally available to farmers and their cooperatives in this or any other country, except through direct government subsidy.

3. As stockholders, farmer ranchers and their cooperatives elect directors and share in management, control, risks, and saving. The ultimate goal is complete farmer ownership and control.

4. The system is self-supporting, aside from the use of government capital which was invested to help farmers get it started. This capital is intact and could be recovered in the event of liquidation.

5. The system is not dependent upon the government for loan funds. Such funds are largely obtained from the sale of bonds and debentures to investors. Although these securities are not guaranteed by the government, during recent years they have sold at rates which compare favorably with the rates obtained by the federal government on obligations of comparable maturity.

6. Farmers have made substantial progress toward ownership of the system. They have over 130 millions of their own money invested in capital stock of the various units. They are therefore interested in seeing that the system is maintained on a sound basis.

## Should Not Jeopardize Farm Credit by Experiments in Administration

In my judgment, the sound credit requirement of agriculture will be best met in the long run by a self-supporting cooperative credit system under the supervision of an independent agency of government directly re-

sponsible to Congress and the President, such as existed prior to July 1, 1939. This agency might be headed either by a single administrator—a governor—or a bipartisan board. Recently there has been a strongly growing sentiment in favor of a board.

Such a system enables farmers, through cooperative action, to reach the investment centers of the country and borrow on terms of credit equality with business and industry, at minimum cost to the public and independent of changing national administrations.

The objective of the several credit units of the Farm Credit Administration is to make sound loans adjusted to the borrowers' needs and ability to pay. In an organization whose sole activity is handling credit, this objective is always held uppermost. There is always grave danger of the intrusion of other purposes if the system becomes a part of a department, the major activities of which are in other directions.

In view of the operating record of the system which extends over a period of more than twenty years, I know of no evidence of increased economy, efficiency, or service

which will likely result from the integration of the Farm Credit Administration with the Department of Agriculture. My position would be the same were a proposal made to transfer farm credit to a department or agency of government other than the Department of Agriculture.

While there is always a possibility that everything might work out all right under the new setup, it seems to me that the probabilities are in the other direction. In any case, there is substantial element of risk involved. I do not believe that the 900,000 farmer-stockholders of the country who have over 130 millions of their own money invested in the system and who have worked for over twenty years to get it where it is today should be asked to take that risk. They are the ones whose interest should have first consideration.

No experiment in administration, however promising, is worth the risk of impairing the usefulness of these institutions, developed through experience, and which have rendered and can continue to render a vital service to agriculture at a minimum cost to the public.

## Around the Range Country

(Continued from page 42)

is his working capital. The same is true of a lawyer. His education is part of his capital the same as our land is. Similarly, the statement can be applied to other industries. And there does not seem to be any relief for the stockman.

It is best to leave the Forest Service alone and not get it mixed up with the Department of the Interior. There is too big a difference between the Taylor Grazing Act and the national forest administration to make for a satisfactory combination.

I also am firmly convinced that the tariff should be taken care of by Congress and not by the President.

S. H. Hill

Westwater  
(Grand County)

The weather has been dry, but at present (January 9) we are getting a fair amount of moisture. Feed conditions are normal and in this immediate locality stock water is plentiful. Nine dollars is the present price of alfalfa hay in the stack.

About the usual number of ewes were bred for lambing this spring. No ewe lambs are held back in this district, sheepmen buying ewes for replacement.

Instead of transferring the Forest Service to the Department of the Interior, most wool growers of this region would favor placing the Grazing Service under the Forest Service or at least with the Department of Agriculture.

I think Congress should handle all tariff making and I also think that the livestock industry of the United States should have enough tariff protection to enable it to survive.

Emmett Elizondo

Cedar City  
(Iron County)

Weather conditions through December were extremely favorable for livestock, and feed conditions were good to excellent in most parts of our winter range. Some few small localities, however, report less feed than last

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year. Stock water is plentiful (January 9).

No alfalfa hay is for sale here but it can be shipped in for about \$15.50 per ton in bulk.

There are no lambs being fed here this year due to the spring and summer drought which caused a near failure in the hay crop.

Control of the public domain and constant cuts on the national forests, I think, will not permit any increase in range herds. The few outfits of which I am personally informed would indicate that about the same number of ewes have been bred this year as last and slightly fewer ewe lambs held.

The general sentiment here is for keeping the national forests and the Grazing Division in two separate departments, at least for the present.

I think all western producers of livestock are agreed that the present system of making tariffs through trade agreements is a menace to producers generally. In my opinion Congress

should immediately repeal the Reciprocal Trade Act and if possible, without impairing the honor of the nation, annul all present agreements under the act.

Wool growers, through their organizations, should commend the American Federation of Labor for their recent stand against the present tariff system.

I read the Wool Grower and enjoy it. The National Association, in my opinion, is an indispensable necessity. I often wonder what our plight might have been in these troublesome times if we had not had the services of the Association.

Charles H. Esplin

## NEVADA

Mild weather of the early part of the month ended toward the middle, with a couple of weeks of rather cold weather, turning warmer again near the end of the month. Heavy precipitation occurred, especially during the first two weeks, when a few stations reported the heaviest of record. Pasture and browse were appreciably improved by the moisture, but the subnormal temperatures of the third week necessitated heavy feeding. No losses were reported, though some shrinkages occurred. Livestock have continued in fairly good shape in most sections.

Winnemucca  
(Humboldt County)

Weather and feed conditions on the range are good; in fact, this is a very mild winter and less supplemental feeding is being done than a year ago (January 25). The price of alfalfa hay is \$7 a ton in the stack.

More trappers were out over this part of the range last fall and apparently did good work, for fewer coyotes are around than last year.

Restrictions of the Taylor Grazing Act confront the wool growers of this section as one of their big problems today. Sentiment here is for the retention of the Forest Service in the Department of Agriculture and for having tariff duties levied through bills passed by Congress rather than through reciprocal trade agreements.

Everything is very quiet in this locality, so far as bids for the 1940 wool clip are concerned. I think most of the growers will not be in too big a hurry to sell at shearing time, but will hold for higher prices.

John Mentaberry

## CALIFORNIA

One brief cold spell covered the state during the third week, but the rest of the month was abnormally warm and highly favorable for livestock, and for the growth of forage browse, and forage crops on farms. Heavy rains occurred early in the month pretty generally, excepting only over the southeastern deserts, giving a good moisture supply to all crops and native vegetation in the valleys. Pastures, ranges and livestock are mostly in good condition.

## OREGON

Mild weather was favorable early in the month, but it was colder the rest of the month, causing heavier feeding and some shrinkages of livestock. Rains were generous in western valleys, where the land is largely bare; but snows fell in the eastern counties, most of the country being fairly well covered. Pasture is still available, locally in the east, but more generally in the west, and though livestock have consumed considerable quantities of feed, they are in pretty good condition.

Burns  
(Harney County)

Since the middle of December, rains have given a much brighter outlook (January 25) as far as next spring's crop of grass is concerned. There is no winter sheep range in this county.

There is a 10 per cent decrease in the number of ewes bred in comparison with a year ago; profit from producing lambs and wool is so small that operators are being forced out of business.

With more trappers out and more work on the part of sheep operators, coyote numbers are being cut down. They are much less numerous than three years ago.

W. A. Sawyer

### IOWA WANTS SHEEP and LAMBS

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## WASHINGTON

The forepart of the month, and the last few days, were comparatively mild, while the rest of the month was fairly cold, to the temporary detriment and inconvenience of livestock and livestock interests. Rains in the west, and snows in the east provided all the moisture, and coverage needed by grain and forage as a rule. Livestock are largely on feed over the eastern portion, but they are generally doing well, with plenty of feed available, either as forage, or supplemental feeds.

*Prosser  
(Benton County)*

We are having a severer winter than for two years past. Lambing time is here, and with cold weather and snow staring them in the face, growers are not feeling any too good. They are also in danger of losing their range in the formation of a national park, another problem to worry about.

Human nature undoubtedly will make growers inclined to hold this year's wool clip for a higher price, but I'd say about 40 per cent of them will sell as their wool is shorn.

Since we raised the bounty on coyotes, more individual trapping has been done and their numbers have been quite noticeably curtailed the past year.

Alfalfa hay can be purchased at \$7.50 a ton in the stack (January 25).  
Clell Lung

## IDAHO

Mild weather early in the month was very beneficial to livestock, but the third and part of the last week were unusually cold, causing some suffering among livestock. A great deal of rain and snow fell, bringing moisture to all parts of the state in abundance, and benefiting wheat and range forage and browse. Feed has been plentiful, and considering the brief cold spell, livestock are in comparatively fine condition, mostly thriving.

*Hagerman  
(Gooding County)*

Most of the sheep in this locality are on feed by January 1 of each year. Lambing has started (January 25), with very little change in the number

of ewes on hand as compared with 1939. From \$5 to \$6 is the range of prices on alfalfa hay.

Regulation of the public range under the Taylor Grazing Act constitutes, in my judgment, the most serious problem confronting the sheepmen of this section. As the Spanish sheepman says, "Old Bill Taylor is sure raising hell on the range." I also believe if the administration of the Forest Service is changed to the Department of the Interior it will be a serious blow below the belt for the cattle and sheep industries.

Let's stick to the good old U. S. Constitution and make trade agreements, treaties or what have you, with the "advice and consent of the Senate."

Charles W. Abbott

## MONTANA

Mild weather occurred the first week, and the closing few days of the month, but some unusually severe tempera-

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tures occurred during the second, third and part of the fourth weeks, the cold being quite persistent. Increased feeding was necessary nearly everywhere, though feed has been plentiful. Snow fell generally, and covered nearly the entire state several inches in depth, sheltering grain nicely, and affording wide range for livestock on the open range and dependent on snow for moisture. Livestock are mostly reported in good condition.

### Knobs (Fallon County)

We have had mild weather all winter, except for about ten days beginning January 16, when we had temperatures ranging from zero to 30 below and high winds. Stock, however, have come through well and today (the 27th) it is thawing under a southwest wind. Very little hay has been fed to sheep and not so much grain as in previous winters. Altogether sheep in this part of the country are in fully as good shape as they were this time last year.

Coyotes are not bothering us this winter to speak of, as we have lots of rabbits and sagehens for them to feed on.

I have not heard of any wool being contracted around here.

Harvey Kile

### Dillon (Beaverhead County)

January weather is normal (the 26th) and there is good feed in the hills. The number of ewes on feed is just about the same as in the past two or three years. Alfalfa hay is selling in a range of \$3.50 to \$5.

If the Department of the Interior takes hold of the national forests, we may have to summer our sheep on our hay meadows. Secretary Hull's trade agreements are also causing the sheepmen a good deal of worry, and the conflict between big game and livestock on the national forests contributes its share of grief.

Hans Pedersen

## WYOMING

The first week was mild, the second normal, and the last few days of the

month were mild again, but the third week was much the coldest week of the winter to date. Snows fell at timely intervals and mostly in goodly amounts, covering the state generally, excepting only parts of the northeastern portion. Livestock consumed a great deal of feed during the cold weather, but as the cold wave was of brief duration, livestock are largely in fair to good shape. Previously some shrinkages were reported. Range forage is fairly good.

### Casper (Natrona County)

It has been unusually cold, with crusted snow over the little grass that there is, and more sheep are being fed (January 25) than a year ago at this time. Hay is not sold in the stack here; baled and delivered at the ranch it is costing \$12 a ton.

While there isn't a nibble from dealers on the 1940 wool clip yet, most

growers will be inclined to sell at shearing time, I believe.

I think the uncertainty as to the wool tariff that has been created by reciprocal trade agreements is causing the wool growers more concern than anything else at this time. Tariff making should be left in the hands of Congress.

G. E. Barker

### Buffalo (Johnson County)

Feed on the range is fair, short but of good quality (January 26). The weather has been good, except that it is too dry for the best feed conditions. Our stock water supply is very low and supplementary water is sorely needed. Six dollars a ton is being paid generally for alfalfa hay in the stack.

Breeding bands are about the same size as in 1939, but there was a slight increase in the number of lambs kept over for stock ewes compared with a year ago.

I think the Forest Service should be left in the Department of Agriculture and that Congress should take care of all tariff making.

J. S. Woosley

### SOUTH DAKOTA Buffalo (Harding County)

Weather and feed conditions are about normal (January 24). There hasn't been even a flurry in contracting 1940 wools yet. Most growers around here will want to sell their clip at shearing time, as I read the signs.

Tariff making through trade agreements is the only sensible way to handle that problem.

H. W. Clarkson

### Philip (Haakon County)

The range feed is very poor and we have had to feed our sheep all through January. No offers have been made for our 1940 wools, but prevailing sentiment among growers seems to be to hold for higher prices than were paid early last year.

We need a better protective tariff. We can't raise wool at 18 to 23 cents a pound and make a profit.

Ernest Clements

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